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Japan

Tokyo Urges U.S., PRC To Keep Friendly Ties

OW0409050392 Tokyo KYODO in English 0450 GMT
4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Japan urged the United States and China to maintain good relations Friday in the wake of China's angry reaction to a U.S. decision to sell up to 150 F-16 fighter jets to Taiwan.

Chief Cabinet Secretary Koichi Kato also said that the increase in arms sales in Asia should not be allowed to heighten regional military tensions and that Japan plans to make its views known to the U.S. and other countries.

Kato told a news conference that the U.S. decision to sell planes to Taiwan was, in part, based on a recent Russian agreement to sell 24 Sukhoi SU-27 fighters to China.

"We are paying close attention to how (the sales) will affect the future security of east Asia," Kato said.

The spokesman added, however, that the increase in military sales to the region did not necessarily mean increased military tensions. He declined to elaborate.

Saying that solid relations between the U.S. and China are important for stability in Asia, Kato urged the two countries to maintain stable relations.

"From that perspective, we hope that China will not overreact," Kato said.

China warned Washington on Thursday that its plan to sell the fighters jeopardizes bilateral relations and cooperation in the United Nations and other international organizations.

Miyazawa Says PRC 'Half Right' on Human Rights

OW0309122992 Tokyo KYODO in English 1213 GMT
3 Sep 92

[Text] Tokyo, Sept. 3 KYODO—Prime Minister Kiichi Miyazawa, suggesting that some U.S. Democrats are unrealistic when it comes to evaluating China on the basis of human rights, said Thursday that Beijing is "half right" when it argues that survival is the most basic human right.

"According to the Chinese, the most fundamental human right is to be able to live, not to die of hunger," Miyazawa said in a television interview with Japan Broadcasting Corp. (NHK).

"Depending on the stage of economic development, there are various ways of interpreting human rights," Miyazawa said.

China's position that the most fundamental human right is adequate food and shelter "is half right," Miyazawa said, noting that after a long history of periodic famines, China is finally able to feed her population of over 1 billion.

Replying to a question about whether the U.S. regards Japan as being unconcerned about human rights, Miyazawa said that President George Bush appeared to be more realistic than some U.S. Democratic Party legislators in his policy toward China.

"People like President Bush are different from some Democrats when it comes to China's ways because they think realistically. But (Bush) still seems to be irritated," Miyazawa said in the interview.

Miyazawa attributed what he saw as Bush's more practical views to the fact that he had lived in Beijing when he was an ambassador.

The interview was conducted a day after the U.S. called for the immediate release of pro-democracy activist Shen Tong, who was arrested Tuesday as he was about to launch a branch of the U.S.-based Democracy for China Fund.

Japan has so far been silent on Shen's detention, saying it needs more information about the reasons for his arrest.

Watanabe Ends Moscow Visit, Leaves for Tokyo

OW0409014792 Tokyo KYODO in English 0110 GMT
4 Sep 92

[Text] Moscow, Sept. 4 KYODO—Japanese Foreign Minister Michio Watanabe left Moscow on Friday after wrapping up a weeklong visit to set the stage for Russian President Boris Yeltsin's upcoming trip to Tokyo.

On Thursday night, Watanabe held second round of unofficial talks with Russian Foreign Minister Andrey Kozyrev to make final arrangements for Yeltsin's visit scheduled for September 13 to 16.

Japanese officials said Russia and Japan continue to be at odds over a longstanding territorial dispute involving Russian-held islands off northern Japan.

The dispute, expected to be a focal point of the Russian president's visit, revolves around the islands of Kunashiri, Etorofu, Shikotan, and the Habomai group of islets, which Soviet troops seized at the end of World War II.

In the 90-minute meeting, Kozyrev reiterated Russia's stance that it will be difficult to solve the dispute if Japan continues to insist that recognition of Tokyo's sovereignty over the four islands is a prerequisite for economic cooperation, they said.

Kozyrev said Moscow and Tokyo will both lose the opportunity of making Yeltsin's visit a historical one if they consider resolution of the territorial dispute as a precondition to solving other bilateral problems, they said.

Yeltsin is the first Russian president to visit Japan. Former Soviet President Mikhail Gorbachev visited Japan in April 1991.

"We can solve many problems if we do not condition the solution of the territorial issue as an approach to other problems," the Russian foreign minister was quoted as saying.

Tokyo maintains the return of the islands is a prerequisite for massive financial assistance to Russia and conclusion of a bilateral peace treaty.

Watanabe countered that it is necessary to make a breakthrough in the territorial dispute in order to bring the president's visit to a success and called for Yeltsin to make a political decision on whether or not to recognize Japanese sovereignty over the islands.

He added Japan can not abandon its principle of confirming Japanese sovereignty over the islands and extend full-scale support in the economic field.

But Watanabe told Kozyrev that Tokyo is willing to be flexible on the timing and method of the return of the islands if Russia recognizes they are an integral part of Japan, the officials said.

Watanabe added that despite some legal problems, the Japanese Government is considering the extension of 100 million dollars worth of emergency humanitarian assistance to Russia, the officials said.

Says Results 'As Anticipated'

OW0409112692 Tokyo KYODO in English 1111 GMT 4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Foreign Minister Michio Watanabe on Friday returned home from a trip to Russia and said it went "pretty much as anticipated."

Watanabe made the remark after briefing Prime Minister Kiichi Miyazawa on his visit.

Watanabe quoted Russian President Boris Yeltsin as having said in talks Wednesday that he was still considering which of 12 ideas on resolving a bilateral territorial dispute to choose.

Yeltsin, who is due in Japan on September 13-16 to discuss the dispute over four Russian-occupied islands and to press for Japanese economic aid, told Watanabe he would convey his conclusion directly to Miyazawa when he comes to Tokyo.

Watanabe told reporters he did not take Yeltsin's vague response as an affront. "It is not as if he had a proposal in his pocket but wouldn't tell me. He said frankly that he is still not sure what to do."

The dispute involves the islands of Kunashiri, Etorofu, Shikotan, and the Habomai islets, which were seized in 1945 by the Soviet Union at the end of World War II.

The foreign minister said Yeltsin had complained that of the Group of Seven (G-7) major industrialized countries, Japan has promised the least aid to Russia.

Yeltsin also was quoted as saying that while other G-7 countries have given billions of dollars in aid, Japan has pledged just 100 million dollars in humanitarian assistance and has not even dispersed it.

"I told him that there's a credible reason behind that and that it's not all Japan's fault," said Watanabe, alluding to Japan's position that the delay is caused by Russia's inability to specify the bank responsible for repaying the aid loan.

Watanabe said he told Yeltsin that Yeltsin's advisers were probably reluctant to tell him of the problems on the Russian side and had opted only to tell him that the money had not been dispersed.

He said Miyazawa expressed satisfaction that Yeltsin has been informed of the actual situation.

Minister Says Security for Yeltsin 'Adequate'

OW0409051092 Tokyo KYODO in English 0432 GMT 4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Home Affairs Minister Masajuro Shiokawa told the Cabinet Friday that security preparations for Russian President Boris Yeltsin's September 13-16 visit are adequate and that there is no need for Yeltsin's bodyguards to carry handguns.

"The National Police Agency is taking adequate security arrangements. Russian security authorities should understand and recognize this," Shiokawa said.

Russian Foreign Minister Andrey Kozyrev had expressed concern about the security arrangements for Yeltsin's visit, saying in an INTERFAX news agency report that it is a matter of priority yet to be decided.

"There remains time to decide all matters concerning the president's visit," but "security, of course, is no. 1 on the agenda," Kozyrev said in the INTERFAX story.

On Thursday, INTERFAX reported that officials in charge of Yeltsin's security issued a statement complaining about "the absence of full security guarantees" in Japan.

They also noted that Japanese authorities are demanding that Yeltsin's bodyguards turn in their weapons upon arrival in Japan.

Japan "maintains a strict policy of forbidding the Russian president's bodyguards to bring weapons into the country," the report said.

The president's security service will recommend postponing the visit if the Japanese do not change their position, the report said.

The presidential security service told KYODO NEWS SERVICE later Thursday that the statement was not an "official" one but only a "proposal" by the guards.

A Japanese Government source remarked Friday morning that the firearms and swords control law prevents bringing handguns into the country and "President Yeltsin is not a special case."

The source speculated that Russian conservatives, who do not want Yeltsin to visit Japan if he is going to discuss the ongoing territorial dispute, are likely using the security issue as an excuse in an attempt to scuttle the visit.

A spokesman in Moscow declined to comment on whether the issue could lead to a change in the plans for Yeltsin's visit to Japan.

Security Dispute Not To Prevent Visit

*OW0409044292 Tokyo KYODO in English 0359 GMT
4 Sep 92*

[Text] Tokyo, Sept. 4 KYODO—Russian President Boris Yeltsin's visit to Japan will take place as scheduled September 13-16, despite Russian concerns over security arrangements, top government spokesman Koichi Kato said Friday.

"Japan will make doubly sure of its safety measures. Security will not be an obstacle to the president's visit," the chief cabinet secretary said.

Kato said he also does not expect Yeltsin to delay the trip because of the deadlock over a longstanding dispute over four islands off the northernmost main island of Hokkaido.

Yeltsin has said he plans to suggest possible solutions to the territorial issue when he comes to Tokyo and has given no indication he wishes to put off the planned September 13-16 trip, Kato told a regular news conference.

On Thursday, Russia's INTERFAX news agency reported that Yeltsin's security services have recommended postponing the visit because Japanese security authorities cannot ensure the president's safety.

The report said Japan's security authorities would not allow Yeltsin's bodyguards to bring their weapons into Japan.

Kato said it is established international practice to leave security measures to the host country and to ask accompanying guards not to bring firearms.

"That is what we did when former Soviet Union President (Mikhail) Gorbachev visited Japan," Kato said, adding Japan would not make an exception on firearms.

Russia's 'Stiff Stance' on Territories Criticized

*OW0309142292 Tokyo KYODO in English 1308 GMT
3 Sep 92*

[Text] Tokyo, Sept. 3 KYODO—Takisuke Watanuki, secretary general of the ruling Liberal Democratic Party (LDP), criticized Russia on Thursday for its stiff stance on the territorial dispute with Japan over four islands off Hokkaido.

At an LDP-sponsored rally calling for the return of the Russian-held islands to Japan, Watanuki said Russia only demands things beneficial to itself, and sets aside unfavorable issues.

Watanuki was apparently referring to Russia's demand for Japanese economic aid and refusal to recognize Japanese sovereignty over the four islands.

He said Moscow's attitude leaves the impression among the Japanese people that the former Soviet Union is a mean country that cashed in on Japan's weakness, invaded the islands, and used Japanese prisoners of war in Siberia to construct the country.

The Soviet Army seized Etorofu, Kunashiri, Shikotan islands and the Habomai group of islets just after Japan's World War II surrender August 15, 1945.

Some 600,000 Japanese were detained as prisoners of war in Siberia and forced to work at such places as railway construction sites.

Watanuki told the gathering that as long as the territorial issue between the two countries is unresolved, Russia would not be able to eradicate the shadow of Stalinism.

On Foreign Minister Michio Watanabe's talks with Russian leaders in Moscow, Watanuki said to achieve the return of the four islands would be fairly difficult.

In the meeting with Watanabe on Wednesday, Russian President Boris Yeltsin was quoted as saying, "Japan has been putting pressure on Russia economically, politically and psychologically. Given this situation, it is difficult to resolve the territorial dispute."

Watanabe, who arrived in Moscow last Saturday for a weeklong visit, is in Moscow to make final arrangements for Yeltsin's September 13-16 visit to Japan.

Koko Sato, chairman of the ruling party's decision-making Executive Council, told the rally that Yeltsin will not be able to make any references to Japan's potential sovereignty of the islands, as he would not be able to remain president longer than six months if he did.

Sato recently visited Sakhalin in the Russian Far East to find out local people's views on the territorial dispute.

LDP Seminar Discusses Russia, Security, Reform

*OW2908123492 Tokyo KYODO in English 1141 GMT
29 Aug 92*

[Text] Karuizawa, Nagano Pref., Aug. 29 KYODO—A top Liberal Democratic Party (LDP) official said Saturday that Japan may have to wait as much as a decade before Russia recognizes Japan's sovereignty over four disputed islands off Hokkaido.

Koko Sato, chairman of the LDP's Executive Council, said that when Russian President Boris Yeltsin visits Japan next month it is highly unlikely that Yeltsin will recognize that the islands belong in principle to Japan.

"It is wise not to harbor high expectations. The outlook is not at all bright," Sato told the opening of a two-day LDP seminar.

Sato added that Japanese negotiators should be prepared to "take their time" in obtaining Russian acknowledgment that the islands are Japan's, "even if it takes five or 10 years."

Sato told the audience of some 170 business executives that he cautioned Foreign Minister Michio Watanabe prior to his departure for Moscow on Saturday against making concessions to Moscow for personal aggrandizement.

Watanabe is to meet with Russian President Boris Yeltsin next Wednesday to prepare for Yeltsin's mid-September visit to Japan.

The islands of Etorofu, Kunashiri, Shikotan, and the Habomai group of islets were seized by the Soviet Red Army at the close of World War II.

While the territorial dispute is expected to dominate talks during Yeltsin's September 13-16 visit, officials on both sides have expressed skepticism in recent weeks that significant progress will be made toward a solution.

Speaking on international security, LDP Policy Affairs Research Council chairman Yoshiro Mori told the seminar that the time is ripe for establishing a security forum in East Asia like the Conference on Security and Cooperation in Europe (CSCE).

Mori said the Asian version of the CSCE should be rooted in existing bilateral security agreements such as that between Japan and the United States.

He named the United States, Japan, China, North and South Korea, Mongolia, and Russia as potential participants.

But Mori said it would be difficult for Japan to make progress on security issues as long as the leading-opposition Social Democratic Party refuses to recognize the Self-Defense Forces (SDF) and a security pact between Japan and the United States.

The party maintains that its position is based on Japan's post-war constitution which stipulates that the nation will not resort to force to resolve international disputes.

LDP Secretary General Tamisuke Watanuki signaled support for Prime Minister Kiichi Miyazawa's plan to hammer out sweeping political reforms by November.

It was the first time Watanuki had publicly vowed to back Miyazawa's election pledge to enact political reforms since the secretary general expressed doubt last week that the LDP would be able to meet the November deadline.

On Friday, Watanuki and other LDP executives met with Miyazawa and agreed to seek early passage of an interim reform plan this fall, and to work out a program for full-fledged reforms by November.

Citing recent political corruption scandals such as the Tokyo Sagawa Kyubin scandal, Watanuki said it is extremely important to increase transparency of political donations.

The LDP executive expressed willingness to compromise with opposition parties on their demand for tighter fund-raising rules.

But he stressed that it should be efforts to revitalize Japan's sagging economy, and not political scandals, that should be the focus of debate when the Diet, or parliament, convenes this fall.

GATT's Dunkel Discusses Rice, Uruguay Round

*OW0309150592 Tokyo NHK General Television
Network in Japanese 1200 GMT 2 Sep 92*

[Interview with GATT Director General Arthur Dunkel by NHK economic reporter Kazumi Ohashi on 2 September; place not given; from the "NHK News 21" program—recorded; Ohashi's questions are in Japanese, and Dunkel's responses are in English with Japanese subtitles; Dunkel's remarks are from the English]

[Text] [Ohashi] GATT Director General Arthur Dunkel, who arrived in Japan on 30 August and will leave today, held discussions with representatives of opposition parties this morning. During his stay, he conferred with cabinet members who are concerned with agricultural issues, and with representatives of agricultural organizations. In these meetings, he indicated that the Uruguay Round of talks would heat up after this autumn and strongly called for Japan's cooperation.

[Dunkel] Japan has contributed in many areas, in a very substantive way, in a very imaginative way; and I hope Japan will continue even in the areas where Japan may have some difficulties.

[Ohashi] The GATT decided to start the Uruguay Round of negotiations at the meeting of its ministerial-level conference six years ago, with the aim of establishing new rules for free trade. The topics for negotiation now include the service industry, which was never discussed in the past, and even agricultural issues. Through the Uruguay Round negotiations, the GATT hopes to establish new rules common to every country. However, the GATT is experiencing difficulties in the agricultural negotiations and the agricultural agreement is about two years behind schedule. In such circumstances, Director General Dunkel made proposals for the final agreement last December to break the deadlock in the negotiations. Concerning the controversial agricultural issues, he proposed removing all import barriers, reducing subsidies for farmers, and for exports of agricultural products. According to Dunkel's proposals, Japan will have to replace its rice import barriers with high tariffs, a measure called "tariffication without exception." The Japanese Government has strongly opposed Dunkel's proposals because it thinks that even if Japan imposes high tariffs on imported rice, it is impossible to control the

entry of imported rice only through tariffs. It thinks that tariffication will lead to liberalization of the Japanese rice market.

[Dunkel] Proposals, which are on the table in respect of every culture, could in no way jeopardize the production of rice in Japan. They ask for change of the system of protection. I used the words: the system of protection. In other words, protection will remain. What is asked is a very minimum possibility of importing rice from outside. The replacement of the present mechanism of protection by tariff, which will in any case be very, very high.

[Ohashi] The Japanese Government has opposed the idea of tariffication without exception because it thinks the measure is exceptionally severe.

[Dunkel] But my role was not to pour oil on the fire. The Japanese Government is looking for modifications in the agricultural part of the text, and I would recommend to the Japanese Government to seek support from other countries. And if there is a substantial number of supporters for a change, this will be put on the table. There are some countries who share the point of view of Japan, but not necessarily for rice, but for other products—for dairy products or for poultry or...[changes thought] I do not know what. But not many.

[Ohashi] The key to breaking the deadlocked negotiations is said to be a compromise between the United States—which aims to expand exports of agricultural products—and the European Community, which wants to maintain its protective measures. However, it is unclear how much they can put into agricultural negotiations while dealing with tough domestic issues; France is scheduled to conduct a national referendum on the EC unification on 20 September and the United States will have the presidential election in November.

[Dunkel] I think that we have a window of opportunity from now until February, since in February the U.S. administration has to put the final result to Congress. And therefore, we are preparing ourselves for this last fling. Perhaps, I should add one thing. A huge market without barriers among the members is always a very good incentive for foreign investors and foreign traders because it permits them to achieve economies of scale and greater production for these markets. So, economically, there are good arguments in favor of creating big markets. In the case of rice, the change is so minimal that I do not see why it should be seen as a revolution. It is an evolution.

[Ohashi] This time, Director General Dunkel's visit to Japan was solely devoted to rice talks. His position on the Japanese rice market, after all, remained unchanged. However, he indicated a strong desire to promote the Uruguay Round. Depending on how negotiations between the United States and the EC will develop, it is possible Japan will be urged to make a decision before the end of this year.

Tokyo-Seoul Friendship Stressed at Joint Meeting
*OW0309064192 Tokyo KYODO in English 0505 GMT
3 Sep 92*

[Text] Tokyo, Sept. 3 KYODO—Former Prime Minister Noboru Takeshita stressed the need for Japan-South Korean friendship and cooperation to ensure Asian stability and development, in an opening address Thursday to a joint meeting of legislators from Tokyo and Seoul.

Takeshita, head of the Japan-South Korea Parliamentarians Union, hailed positive developments on the Korean peninsula since arch rivals North and South Korea were seated in the United Nations a year ago.

Stressing further the need for friendship and cooperation, Takeshita said, "Without the cooperation of both Japan and South Korea, development is impossible and Asian stability is difficult."

Pak Tae-jun, chairman of the (South) Korea-Japan Parliamentary Union, noted in his opening address the "unprecedented urgent request for the necessity of the true cooperation of both nations which forms the axis of the the Asia-Pacific region."

Alluding to Japan's 1910-1945 colonial rule over the peninsula, Pak added that some people in South Korea continue to say that Japan resists recognizing its past. He noted that counterarguments have been raised in Japan.

Pak, a senior official of Seoul's ruling Democratic Liberal Party, stressed that it is an "extremely important issue" for deepening mutual understanding of the people of both nations.

Thursday's session opened the 20th assembly of Tokyo and Seoul lawmakers seeking to promote relations across the Korea Strait.

Thailand's Chatchai Comments on PKO Troops
*OW0309124992 Tokyo KYODO in English 1204 GMT
3 Sep 92*

[Text] Tokyo, Sept. 3 KYODO—Former Thai Prime Minister Chatchai Chunhawan said in an interview here Thursday that Japanese peacekeepers in Cambodia should refrain from using arms.

Chatchai, who is poised to become Thailand's next prime minister if his party wins the September 13 general elections, made the remarks to KYODO NEWS SERVICE during a three-day visit to Japan which ends Saturday.

"Considering that Japan is going to dispatch peacekeeping forces overseas, I think care should be taken that weapons are not used," said Chatchai, whose previous elected government was overthrown by the Thai military in February 1991.

But Chatchai suggested there is little reason for concern since the forces Japan will be sending to Cambodia are mainly military engineers.

The United Nations formally asked Japan Wednesday to send 683 personnel to Cambodia to help U.N. peace-keeping missions in the war-devastated country.

The government says the personnel will only carry revolvers for self-defense.

Chatchai called for Japan to assist Thailand in constructing a second bridge across the Mekong River to facilitate transport between northeast Thailand, Laos, and Vietnam, and especially to the Vietnamese port of Da Nang.

He also called for bilateral collaboration in developing both road and rail links from Thailand to the Cambodian capital of Phnom Penh.

Chatchai Comments on Other Issues

*OW0309151192 Tokyo KYODO in English 1417 GMT
3 Sep 92*

[Text] Tok Sept. 3 KYODO—Former Thai Prime Minister Chatchai Chunhawan said Thursday that while Thai companies should refrain from exploiting Cambodia's natural resources to the country's disadvantage, the peace process there requires "economic incentives" in addition to diplomatic efforts.

"I am a bit afraid that others, including Japan, put too much faith in purely diplomatic approaches," Chatchai told KYODO NEWS SERVICE in an interview here during his three-day visit to Japan through Saturday.

"But believe me, we will not have peace without further economic incentives and development," said Chatchai, who emerged in July as a promising candidate to reclaim his former post after the September 13 general election.

Thailand has come under international criticism for allowing businessmen with allegedly close ties to the Thai military to plunder neighboring Cambodia's forest and mineral resources ahead of the restoration of order there.

Chatchai, who pledged after taking office in 1988 to turn the Cambodian battlefields into a marketplace, said he recently returned from a visit to Phnom Penh, where he met with Thai businessmen and urged them "to cooperate, not to exploit."

Thailand has also met with criticism for allowing cross-border trade to fill the coffers of the Khmer Rouge, the only one of the four Cambodian factions that has refused to canton, disarm, and demobilize its troops as required by last October's Paris peace agreements.

While businessmen in Chatchai's political power base in northeast Thailand are reportedly eager to expand trade with Cambodia, the United Nations Security Council is said to be considering economic sanctions against the Khmer Rouge to coerce them back into the peace process.

Chatchai, asked if he would be prepared to comply with such sanctions by closing Thailand's border to trade with the Khmer Rouge if he was elected prime minister, replied, "definitely, we should honor U.N. resolutions on any matter—even this U.N. resolution."

"But I hope it does not come to pass," he added.

He called it "only normal" for trade to flourish with all four factions along the 85-kilometer Thai-Cambodian border. "We don't choose what faction to trade with," he said.

Chatchai is known to have a better channel of communication with the elusive Khmer Rouge [words indistinct] the present government headed by interim Prime Minister Anan Panyarachun.

Chatchai, 70, is leader of the new Chat Phatthana Party, which has emerged as a major political force, drawing former parliamentarians from other parties, including pro-military parties now tainted in the aftermath of the military's bloody crackdown on pro-democracy protesters in May.

"I can't say clearly whether I'll become prime minister after the election," he said. "At this moment, I don't think I should talk about it."

Chatchai, whose democratically-elected government was overthrown by the military in February 1991, said, "in the future, to prevent soldiers from staging coups d'etat, there should be a new chiefs-of-staff system, like they already have in Britain."

Likening the present military system to one which would normally only operate during wartime, he said, "there should be no military supreme commander, and no army, air force, or navy commanders," he said.

Miyazawa Seeks Thai Cooperation on Cambodia

*OW0409055692 Tokyo KYODO in English 0458 GMT
4 Sep 92*

[Text] Tokyo, Sept. 4 KYODO—Prime Minister Kiichi Miyazawa on Friday asked former Thai Prime Minister Chatchai Chunhawan to continue cooperating to return the Khmer Rouge to Cambodia's peace process, a Foreign Ministry official said.

Thailand exerts considerable influence in Cambodia, Miyazawa was quoted telling Chatchai.

Chatchai replied that if he regains the premiership after the September 13 general election, he would exert strong pressure on the Khmer Rouge to comply with a U.N. resolution calling for it to join other factions in the disarmament process, the official said.

Chatchai, leader of the National Development Party (Chat Phatthana), is here on a three-day visit, his first to Japan since he was deposed in a military coup in February 1991.

He is among four party leaders favored to become Thailand's next prime minister.

Kaifu Likely To Accompany Emperor to China

OW0409042892 Tokyo KYODO in English 0344 GMT
4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Prime Minister Kiichi Miyazawa plans to name former Prime Minister Toshiki Kaifu to accompany Emperor Akihito and Empress Michiko on their visit to China from October 23 to 28, government sources said Friday.

The government is expected to officially decide the matter at a regular cabinet meeting next Tuesday, the sources said.

Miyazawa plans to ask Kaifu soon to accompany the imperial couple, they said.

The government chose Kaifu because he paved the way for the imperial visit when he reached an agreement on mutual visits by leaders of both countries during his trip to Beijing in August 1991 as prime minister, the sources said.

Kaifu will be the first former prime minister to take part in a visit abroad by the emperor. Up to now, it has been customary to send an incumbent or former foreign minister on such journeys.

The government considered upgrading the status of the person to accompany the emperor because the visit to China has a very special significance and because it took a long time before accepting China's repeated invitation, the sources said.

Japan officially accepted on August 24 Beijing's invitation for Emperor Akihito and Empress Michiko to visit China in commemoration of the 20th anniversary of the normalization of relations between the two nations.

The visit will be the first by a Japanese emperor to China.

Chinese leaders have repeatedly requested since 1989 that the imperial couple visit their country.

Tokyo To Give \$18.5 Million Aid to Yugoslavia

OW0409084292 Tokyo KYODO in English 0827 GMT
4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Japan will grant 17 million dollars (2.2 billion yen) to the United Nations High Commissioner for Refugees (UNHCR) and 1.5 million dollars (0.2 billion yen) to the International Committee of the Red Cross to support relief activities in the war-torn former Yugoslavia, the Foreign Ministry said Friday.

According to the ministry, the assistance will be used to provide food, medicine, and shelter to displaced persons in the region of Bosnia and Herzegovina, where heavy fighting between Serbs, Moslems, and Croats still goes on.

With the additional contribution, Japan's humanitarian aid to the former Yugoslavia will reach a total of 20.4 million dollars (2.6 billion yen), the ministry said.

Official Proposes Special Diet Session on Budget

OW0309110392 Tokyo KYODO in English 1031 GMT
3 Sep 92

[Text] Tokyo, Sept. 3 KYODO—A top official of the Ministry of Finance (MOF) suggested Thursday that the anticipated extraordinary Diet session will be held in November with a supplementary budget as the central issue.

The official, who spoke with reporters on condition of anonymity, was positive toward a proposal for a November session.

The official said that compiling a supplementary budget requires a fairly exact comprehension of tax revenue conditions, which cannot be acquired immediately.

Deputy Prime Minister and Foreign Minister Michio Watanabe recently said that the extraordinary session should be held in November.

The MOF official also called for a review by banks of their wage levels.

He cited the argument that in nonfinancial business sectors, manufacturing companies are at a disadvantage in recruitment because of the relatively high wages paid by banks.

His remarks came in response to a question about a call by a business leader that banks should publish the wages of their employees.

The official also called for an initiative by the Federation of Bankers' Associations in the restructuring efforts of banks.

He said it would be better if the banking industry organization came up with its own proposals for steps the banks should take in their streamlining efforts.

The MOF official said if a bank were conspicuously making efforts to streamline, it could generate negative speculation about its financial conditions.

"It would be better if the federation came up with a menu of proposals (for such efforts)," he said.

The official reiterated the MOF's cautious stance on public financing for the planned agency to buy land held by banks as collateral against bad loans.

The banks should first do their utmost to overcome the bad loan problem themselves before they can expect any assistance from the government, he said.

Otherwise, taxpayers would not support the government's giving such help, he said.

Touching on the stalled multilateral trade talks under the General Agreement on Tariffs and Trade (GATT), the official said a Japanese concession on the rice issue

would not provide a big incentive for a compromise between the U.S. and EC in their own dispute over farm trade liberalization.

He said rice constitutes only a fraction of world farm trade, and claimed neither the Americans nor Europeans have much interest in the issue.

Japan, which does not want to lift its virtual ban on rice imports, is opposed to the proposed "tariffication" scheme aimed at breaking the deadlocked farm talks.

Tanabe Seeks Diet Session on Sagawa Scandal

OW0309123492 Tokyo KYODO in English 1107 GMT 3 Sep 92

[Text] Yonago, Tottori Pref., Sept. 3 KYODO—Social Democratic Party [SDP] Chairman Makoto Tanabe on Thursday sought the convening of an extraordinary Diet session by the end of September to unravel the Tokyo Sagawa Kyubin money scandal.

"We should convene (the session) as soon as possible in September. If the Diet adopts a wait-and-see stance on the Sagawa scandal, the public distrust of politics will be further deepened," Tanabe told a news conference.

Noting the need to call figures involved in scandals to the Diet as sworn witnesses, Tanabe said he will urge the government and ruling Liberal Democratic Party (LDP) to summon former LDP Vice President Shin Kanemaru and election campaign managers of Niigata Governor Kiyoshi Kaneko.

Kanemaru, announcing his resignation as LDP vice president, admitted receiving an undeclared 500 million yen from Hiroyasu Watanabe, former president of the now-defunct Tokyo Sagawa Kyubin Co., before the House of Representatives election in February 1990.

The law limits the amount a donor can give to a politician in a year to 1.5 million yen and requires the recipient to disclose the amount and names of donors if it exceeds 1 million yen.

On political reform, Tanabe renewed a call to deliberate at the outset of the next Diet session bills to publicize the assets of all Diet members and set regulations for fund-raising parties, upon which the LDP and the opposition have already agreed.

Referring to the reallocation of lower house seats, Tanabe said the scheme of adding one seat each to nine constituencies and paring one each from 10 electoral districts is a prerequisite for sweeping political reform.

Prime Minister Kiichi Miyazawa has repeatedly pledged to iron out a comprehensive political reform package in November.

Tanabe noted the need to hold dialogue among the ruling and opposition parties to make the disparity between the value of votes in different constituencies less than 2-1.

The Supreme Court ruled in 1983 a disparity of more than 3-1 in vote values runs counter to the principle of equality under the constitution.

Tanabe also said his party will seek intraparty discussion on electoral reform that could include introduction of a proportional representation system for lower house seats in an effort to thrash out a proposal at an early date.

At a session of the House of Councillors's cabinet committee held the same day, opposition parties called on the government to thoroughly investigate relations between cabinet members and the Sagawa business group in connection with the Sagawa Kyubin scandal.

The opposition parties also demanded that the government convene an extraordinary Diet session as soon as possible to clarify the full picture of the scandal.

A senior LDP official ruled out convening an early Diet session, saying it would be difficult to convene immediately and that there is no urgent need to do so.

Minister To Sue Paper Over Alleged Sagawa Links

OW0409071992 Tokyo KYODO in English 0653 GMT 4 Sep 92

[Text] Tokyo, Sept. 4 KYODO—Transport Minister Keiwa Okuda said Friday he plans to file a libel suit against the MAINICHI SHIMBUN for its report alleging that he received 100 million yen from a trucking company in the Sagawa Kyubin group.

Meeting reporters after Friday's cabinet meeting, Okuda further denied categorically that he had received any kind of personal contributions from the scandal-tainted trucking group.

He said, "The report, which is unfounded and disregards human rights, was regrettable. This is an issue that questions the reputation of the individual and shakes trust in the cabinet."

He added, "With the suit, I want to make things clear as black and white."

Tokuji Hosono, deputy managing director of the MAINICHI SHIMBUN's main office, expressed confidence in the contents of the report, adding that the report "has a concrete foundation and is based on trustworthy testimony."

On Tuesday, the MAINICHI reported in its evening edition that an account book of Hokuriku Sagawa Kyubin Co. stated that Okuda received 100 million yen from the company over a two-year period.

On Friday, the major daily published on its front page what it said were copies of the account book entries allegedly showing that Okuda received money from the Sagawa affiliate.

Okuda said the copies were fake. He added that he had questioned his former personal secretary and assistants,

and they confirmed that his office had not received any individual contributions from any member of the Sagawa group.

Hosono said the newspaper would respond to the libel suit once it was filed with the Tokyo district court.

Prosecutors To Probe Sagawa Money to Kanemaru

*OW0309072592 Tokyo KYODO in English 0556 GMT
3 Sep 92*

[Text] Tokyo, Sept. 3 KYODO—Tokyo prosecutors will begin questioning aides of ruling Liberal Democratic Party (LDP) power broker Shin Kanemaru on allegations of his receiving 500 million yen from a scandal-ridden trucking firm, informed sources said Thursday.

The Tokyo district public prosecutor's office will begin the probe after quizzing Niigata Governor Kiyoshi Kaneko over allegations that his election campaign managers accepted illegal donations from the same trucking firm, Tokyo Sagawa Kyubin Co., the sources said.

Both Kanemaru, who resigned as LDP vice president, and Kaneko, are reported to have received hundreds of millions of yen from Hiroyasu Watanabe, former president of the now-defunct Tokyo Sagawa Kyubin Co.

Watanabe, 58, and other Tokyo Sagawa Kyubin executives have been indicted on charges of aggravated breach of trust by causing huge losses to the trucking firm through loans and loan guarantees for affiliated concerns.

The debt-ridden Tokyo Sagawa Kyubin was later absorbed into the Sagawa Kyubin group.

Kanemaru, 77, tendered his resignation last Thursday as LDP vice president and said he may resign as leader of the Takeshita faction after admitting he received 500 million yen in campaign donations from Tokyo Sagawa that went unreported.

He is among about a dozen parliamentarians believed to have received contributions of as much as 2.15 billion yen from Watanabe.

On Tuesday, Kaneko also offered to resign.

The prosecutors are said to think the two cases are closely related as Tokyo Sagawa's donation to Kanemaru is believed to have been a fee for his electoral support in fielding a single candidate, Kaneko, in the 1989 gubernatorial election, the sources said.

According to sources familiar with the Sagawa Kyubin case, Kanemaru helped persuade one of the candidates, Osamu Takatori, a former cabinet member, to drop his bid for the governorship.

Takatori, a member of the LDP's biggest faction founded by former Prime Minister Noboru Takeshita and currently led by Kanemaru, was among four hopefuls being considered for LDP backing.

Kaneko, who had the backing of the Sagawa Kyubin group, emerged as the LDP's top choice after Takatori withdrew.

Watanabe and Kiyoshi Sagawa, founder of Sagawa Kyubin, both hail from Niigata Prefecture.

Watanabe had reportedly told prosecutors that in June 1989, he provided 500 million yen to Kanemaru as a fee for his support of Kaneko in the election.

Of the total amount, Watanabe reportedly said, 300 million yen was from the Sagawa Kyubin group and 200 million yen came from off-the-books funds he received from Yasuo Matsuzawa, owner of the Heiwado group's medical equipment company.

But Kanemaru said he received the money in February 1990.

Watanabe also said he prepared 300 million yen from Tokyo Sagawa and gave it to the Kaneko camp prior to donating funds to Kanemaru.

Proposed Entity To Buy Land for Bank Bailout

*OW0409085692 Tokyo KYODO in English 0818 GMT
4 Sep 92*

[Text] Tokyo, Sept. 4 KYODO—A proposed entity to buy land held by banks as collateral against bad loans will be able to manage and use the land to earn money for its operations under a plan being considered by banks and regulators, financial sources said Friday.

The scheme is one of the plans that banks, in close consultation with the Finance Ministry and the Bank of Japan, are making for the proposed real estate-buying corporation, the sources said.

The plan is being considered out of fear that the real estate-buying corporation's tax burden would be heavy if the purchased land cannot be sold in a short period, the sources said.

If the proposed entity can manage and use the land, it could earn money, the sources said.

The proposed agency is expected to rescue banks with nonperforming assets such as land held as collateral for troubled loans caused by real estate price deflation.

Many private economists have said the proposed land-buying institution could not operate smoothly unless public funds are available and Prime Minister Kiichi Miyazawa said last weekend that the government is ready to use public funds for the institution.

But the sources did not say whether bankers involved in talks with bank regulators have come up with a plan to seek public funds for the bank bailout company.

Critics say banks should disclose the total of their bad loans before asking for public funds, but economists say rescuing banks from their troubled loans is necessary to prevent the entire financial system from going under.

More Funds Sought for Controls on Weapons, Drugs

*OW2908083592 Tokyo KYODO in English 0804 GMT
29 Aug 92*

[Text] Tokyo, Aug. 29 KYODO—The Finance Ministry has earmarked a sum of 2,354 million yen in its budgetary request for fiscal 1993 to tighten controls on weapons and drug smuggling, a ministry source said Saturday.

The sum represents a 20.1 percent increase over the current fiscal year.

The fund will be used to purchase x-ray inspection equipment, drug detecting dogs and patrol ships, according to the source.

Additional customs officials for detecting drug smuggling will also be sought, the source said.

According to the ministry's data, customs officials confiscated 15 handguns in the first seven months of this year, compared with 70 seized in 1991.

The volume of marijuana seized last year totaled 130 kilograms, a 1.5-fold increase over the preceding year.

Nation's Current Account Surplus Rises 89.2%

*OW0409101292 Tokyo KYODO in English 0941 GMT
4 Sep 92*

[Text] Tokyo, Sept. 4 KYODO—Japan's current-account surplus soared 89.2 percent in July from a year earlier as the yen's upswing jacked up the dollar-denominated values of exports, the Finance Ministry said Friday.

The nation posted a current account surplus of 9.641 million dollars in July before adjustment for seasonal factors, up from 5.096 million dollars in the same month of 1991, the ministry said.

It was the 16th month in a row that the current account, which measures trade in goods and services and some unilateral financial transfers, had grown from year-earlier levels.

The July trade surplus jumped 35.1 percent to 11.647 million dollars on a contract basis, as exports surged 12.0 percent due mainly to the yen's recent rise, the ministry said.

Imports rose a puny 0.4 percent as the weak domestic economy depressed imports of steel and other materials, offsetting most of the increases in imports of food and crude oil.

The price factor—primarily the upswing of the Japanese currency—constituted most of the growth in exports, a ministry official told reporters.

Measured on a customs-clearance basis, exports rose 11.0 percent, with the price factor accounting for 8.9 percentage points of that rise, of which the yen's climb was responsible for 7 to 8 percentage points, he said.

The dollar was valued at an average 125.57 yen in July, up 10.5 percent from a year before.

The current account surplus during the first seven months of 1992 soared 93.5 percent from the same period a year earlier to 65.8 billion dollars, the ministry official said.

The sharp year-on-year expansion of the current account surplus will continue through the end of this fiscal year next March as exports remain brisk and sluggish domestic demand reins in imports, said Toshio Koyano, chief economist at Dai-Ichi Kangyo Bank.

Imports on the customs-clearance basis dropped 3.0 percent in volume terms in July, the ministry official said.

Koyano said the government's recently announced fiscal stimulus package will not start boosting imports until the end of the fiscal year.

He predicted the current account surplus will hit a record 110 billion dollars in fiscal 1992, while the trade surplus will reach 130 billion dollars.

July exports were driven by strong overseas shipments of personal computers, machinery, and computer chips.

Exports of office instruments, mainly computers, surged 24.6 percent.

A recovery of demand in the United States contributed to the sharp upswing, the ministry official said.

Some economists, however, believe Japan's record trade surplus will not emerge as a major campaign issue in the U.S., already the most vocal critic of Japan's trade policy.

Takashi Kiuchi, chief economist at the long-term credit Bank of Japan, said Japan's black ink in trade won't cause a stir until after the November presidential election since little progress can be expected before then.

"President Bush won't be eager to pursue the issue because he can't possibly hope for any results by election time," he said.

Kiuchi said the current account surplus will balloon to 112.5 billion dollars or more in fiscal 1992.

Also serving to widen the current-account surplus in July was the fall in the service trade deficit.

Japan's deficit in the service trade, including transportation, tourism and investment income, shrank 37.9 percent to 1,656 million dollars.

The largest contributor to the contraction was the expansion of investment income by 103.2 percent to 2,887 million dollars.

North Korea

Kim Il-song Discusses Nonaligned Movement

SK0409012392 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 3 Sep 92

["Text" of answers given by Kim Il-song, general secretary of the Workers Party of Korea Central Committee and DPRK president, to the editor-in-chief of an Indonesian newspaper, MEDIA INDONESIA, on 1 September—read by announcer]

[Text] I appreciate your written questionnaire on the Nonaligned Movement [NAM] with the 10th NAM summit ahead. You have asked various questions about NAM. Summing up your questions, I can say that they focus on how to develop NAM in the face of the current situation. For convenience's sake, I will answer your questions generally.

When the East-West confrontation centering on the two superpowers was acute, NAM emerged on the stage of history as an independent political force reflecting the world's progressive people's independent aspirations and demands opposing aggression and war. Since the early days of its founding, NAM has considered the anti-imperialist cause of independence and the antiwar cause of peace to be its basic ideals and struggled for sovereignty, peace, independence, and progress. NAM has walked an honorable road for the past 30 years and greatly contributed to promoting unity and cooperation among the movement members and developing countries, defending independence and sovereignty, and ensuring peace and security in the world.

NAM is entering a new phase today. As the cold war—which continued for a long time after World War II—has ended, the international situation has been undergoing great changes. The end of the cold war means the failure of the superpowers' policy of strength. This proves that NAM's basic ideals were very just. The end of the cold war does not in any way mean that NAM's status and role have been lost. Even though the cold war structure caused by the superpower confrontation has crumbled, the antiquated imperialist forces still remain and are unyieldingly pursuing their ambition for global conquest. Seizing the opportunity of the breakup of the balance of power in the international community, the modern imperialists, continuously pursuing the policy of strength, are trying to make the world one dominated by a single pole in which they can have a free hand in global affairs. A world dominated by a single pole may create greater obstacles and dangers to the people's cause of independence than the bipolar world.

We cannot but pay attention to the danger of the emergence of other blocs that pursue a strategy of dominating other countries. While the leading imperialist forces remain and while NAM's ideals have not been fulfilled, NAM must continue to exist and must be further strengthened and developed. In connection with the changes in the international situation, some people

say that NAM has become invalid and that this movement must change its direction in activities from political affairs to economic affairs. I do not think that one should see the issue this way.

There are no changes in the world people's aspirations to build a free and peaceful new world. Following the path of independence and peace is an irreversibly fundamental trend of history. NAM, whose theme of paramount importance is independence, should invariably adhere to its fundamental ideals and principles. In order for NAM to effectively cope with the changing situation, it should of course continuously improve its method of activities, but it should not deviate from its fundamental ideals and principles.

The nonaligned countries should not falter no matter how complicated the situation is but should be faithful to NAM's fundamental ideals and principles. They should struggle against all sorts of attempts to alienate this movement from the original ideals and principles. The nonaligned countries should continuously hold up the anti-imperialist banner for independence and the antiwar banner for peace and wage a vigorous struggle to build a free and peaceful new world free of domination, subjugation, aggression, and war.

More important than anything else for strengthening and developing NAM at present is to realize the movement's unity and cohesion. Unity is the basic factor for all victories. Under the condition where maneuvers to demolish NAM from within and to incapacitate it are being committed openly, realizing the movement's unity and cohesion is a matter of greater urgency than ever before. The nonaligned countries should fight against the imperialists' divisive and alienating maneuvers with the strategy of unity. They should firmly unite themselves based on the principles of mutual respect, noninterference in others' internal affairs, equality, and give-and-take. Unity is the only way to strengthen NAM and to enhance its position and role in the international arena.

NAM should continue to increase its ranks. I think it is good that many countries of the world wish to join NAM's ranks today. However, our efforts to expand its ranks should not result in weakening the movement's unity and cohesion. Whether a certain country is qualified to become a member state of NAM should be determined based on the degree of that country's faithfulness to NAM's fundamental ideals and principles.

The nonaligned countries should struggle to oppose imperialism, dominationism, colonialism, and racism, and, particularly, to realize disarmament and abolish nuclear weapons. Realizing disarmament and abolishing nuclear weapons is the most urgent problem in ensuring peace at the present. As long as nuclear weapons exist on earth, mankind is not free from the danger of nuclear war. Now the imperialists are raving about the reduction of nuclear arms but are continuing nuclear tests to

further modernize nuclear weapons. This is a grave challenge to the world's peace-loving people calling for justice and peace.

Nuclear weapons, which threaten the existence of mankind, should all be abolished. The nonaligned countries should struggle to stop the tests and production of nuclear weapons and to have nuclear weapons abolished completely.

The nonaligned countries should keep in step with one another in international arenas, including the United Nations, with a joint strategy. Although the nonaligned countries hold the absolute majority of seats in the United Nations today, they cannot exercise their proper influence. On the other hand, the minority major powers exercise their privilege against the UN Charter. This disables the United Nations from fulfilling its mission.

The nonaligned countries should make joint efforts for the democratization of the United Nations so that it can perform its mission and role as the international organ defending world peace and justice. The nonaligned countries should closely cooperate with each other in all fields—political, economic, and cultural. Today's unfair international order is a product of the old colonial system. Developed capitalist countries have strengthened domination, subjugation, exploitation, and plundering over nonaligned countries and developing countries, and have thus obstructed these countries' social and economic development. The nonaligned countries should struggle to end the old international order and to establish a fair new international order.

As history shows, the imperialists never do allow independence and prosperity to subjugated and poor countries. The nonaligned countries should give up delusions about the developed capitalist countries and the spirit of relying on them and should make active efforts to expand and develop South-South cooperation under the principle of collective self-reliance.

The 10th Nonaligned summit to be held in Jakarta, the capital of Indonesia, will discuss important issues in developing NAM in conformity with the demands of the present situation. The issue of assessing the present political and economic situation, the issue of enhancing NAM's role, and other issues to be presented at the summit for discussion are realistic issues reflecting the common demands and interests of nonaligned countries.

We are interested in all issues to be discussed at the current summit. In particular, we are greatly interested in the issues of peace, security, and disarmament, considering our specific situation in which the country is directly confronting the imperialists and facing a long-term danger of war.

I hope that the Jakarta summit will become an important occasion for defending the ideals and principles of NAM, for strengthening its might, and for enhancing its role in the international arena. The government of our Republic

attaches great significance to the 10th Nonaligned summit and will make every possible effort for its successful progress.

It is my pleasure that Indonesia will be the chair nation of NAM this time. For Indonesia, which is one of NAM's founding nations and which has made efforts to strengthen and develop the movement, to become the chair nation is good for NAM's development. I firmly believe that Indonesia, as the chair nation, will make, in the future, outstanding contributions to the work of strengthening NAM's cohesion and unity and realizing the movement's noble ideals and principles.

The Korean and Indonesian people have long maintained ties of friendship and developed exchange and cooperation in various fields. The friendly and cooperative relations between the DPRK and Indonesia will be more favorably developed in the future by the joint efforts of the two countries' people.

I take this opportunity to extend warm greetings to the Indonesian people and, at the same time, wish MEDIA INDONESIA success in its just work.

Riots Reported Over New Money Exchange System

*OW0409042192 Tokyo KYODO in English 0315 GMT
4 Sep 92*

[Text] Beijing, Sept. 4 KYODO—Western diplomatic sources recently returned from North Korea have reported that riots have broken out in several cities, apparently in protest over limits on an exchange of old currency for new announced in July.

The North Korean Government announced July 15 it was issuing new bank notes and recalling the old currency but placed a 500 won limit on the amount that could be exchanged by any one household.

Anything over 500 won was to be placed in North Korea's central bank, severely limiting the cash on hand to citizens, which led to the widespread rioting last month, the sources said.

The government offered in a conciliatory move after the rioting to exchange the old currency on three occasions by the end of the year with a limit of 300 won each time for a total of 900 won, the sources said.

The sources suggested that with shortages of food apparently rampant in North Korea, black markets have flourished where prices are far greater than the state-determined fixed price.

The issuing of new currency and limits on the exchange of won was an attempt to remove some of the money in circulation and cut down on the black markets, the sources said.

They also said there are rumors that counterfeit currency have begun to circulate.

To mark the 80th birthday of North Korean President Kim Il-song and the 50th birthday of his son and heir apparent Kim Jong-il, the government announced in February it was raising laborers' wages by an average of 43.4 percent, Pyongyang watchers in Beijing noted.

The plan, which also included an increase in pensions by an average of 50.7 percent, went into effect in March and led to a sudden increase in the amount of money in circulation, the analysts said.

Apparently to keep a lid on inflation and control the amount of money in circulation, the government announced the new currency issuance, and money over the limit became a "contribution" to the central bank, the analysts said.

In announcing July's new currency issuance, the government said, "with the powerful promotion of socialist construction, the income of the working people has increased by a large margin and the scale of the nation's monetary circulation has grown incomparably.

"We are facing the important task to further consolidate monetary circulation in conformity with this new situation," the government said.

N-S Exchange Subcommittee Meeting Held 3 Sep

*SK0309131592 Pyongyang Korean Central
Broadcasting Network in Korean 1213 GMT 3 Sep 92*

[Text] The seventh meeting of the Cooperation and Exchange Subcommittee of the North-South high-level talks was held today in the South side's area of Panmunjom.

Our side said that the two sides held many subcommittee meetings and members' contacts to prepare the annexed agreement by 5 September according to the agreement reached at the seventh North-South high-level talks. However, because of the South's unjust position and delaying tactics, the basic issues remained unresolved in discussions of the annexed agreement. Proceeding from a stand to settle the annexed agreement before the eighth North-South high-level talks, we presented a revised plan.

Our side stressed that if the South side truly wants national reconciliation, unity, and reunification, it should not adhere to delaying tactics while making a commotion about the nuclear issue by following outside forces' policy on Korea. Our side again urged the South to come to working-level discussions with a position that would resolve problems based on the spirit of national independence and on the principle of great national unity.

However, the South side came to today's meeting empty-handed without any revised plan while paying lip service to trust and the spirit of mutual concession in preparing annexed agreement. The South side insisted on a division-oriented annexed agreement draft which it previously put forward.

At the meeting, working-level discussions were held on the basis of the revised plan our side presented.

Through our side's sincere efforts, with the exception of nine paragraphs, including the issue of approval by the authorities on economic cooperation and on the parties concerned who want to carry out exchange; the issue of abolishing legal and systematic measures that are obstacles to free visits and contacts by members of the nation; and the humanitarian issue, a complete agreement was reached in today's talks on the titles of all the chapters and the remaining 67 paragraphs.

A complete agreement on all issues was not achieved in today's talks because of the South side's maneuver to oppose extensive North-South cooperation and exchange. It is also because the South is trying to carry out cooperation under the control of the authorities, and is trying to delay drawing up the supplementary agreement.

Our side clearly stated that the South is completely responsible for the failure to draw up the supplementary agreement by 5 September, which was originally promised by both sides. Our side said that this is because the South continues to insist on the supplementary agreement which is wholly dependent upon outside forces and aimed at achieving division. Our side also said that this is because the South side is making a nuclear commotion, holding a war exercise, and is engaged in delaying tactics. Our side also insisted that to achieve early settlement of the rest of the issues that were not agreed upon, the South side should study our rational proposals further and bring something to the next talks.

It was agreed that the date of the next contact will be decided through the Liaison Office at Panmunjom.

Kim Il-song Sends Greetings to al-Qadhdhafi

*SK3108124192 Pyongyang KCNA in English
1039 GMT 31 Aug 92*

[Text] Pyongyang, August 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings today to Mu'ammar al-Qadhdhafi, leader of the great September 1st Revolution of the great Socialist People's Libyan Arab Jamahiriyyah, on the 23rd anniversary of the great September 1st Revolution in Libya.

The message expressed the belief that the friendly and cooperative relations between the two countries would grow stronger and develop and wished Mu'ammar al-Qadhdhafi and the Libyan Arab people greater success in their work for the independent development and prosperity of the country.

South Korea

No Tae-u Discusses PRC, DPRK Relations

OW0309190792 Tokyo NHK General Television Network in Japanese 1200 GMT 3 Sep 92

[Interview with ROK President No Tae-u by announcer Tadashi Sonoda in the presidential residence, Chongwadae, Seoul, on 3 September; from the "NHK News 21" program; recorded—Sonoda asks questions in Japanese and No replies in Korean, with Japanese translation given in subtitles; No's remarks are from the Korean]

[Text] [Sonoda] My first question. When did you decide to establish relations with China, and what negotiating process did it take for you to arrive at the establishment of relations?

[No] I wanted to establish relations with China as the final part of my northern diplomacy. I feel gratified, and I must admit I am full of emotion to see this take place. Of course, it did not happen suddenly. There have been many personnel and material exchanges between the countries so far. To take just the year 1991, trade between the two countries amounted to about \$5.8 billion. I think this year will see trade grow to \$10 billion. Should that be the case, China will be Korea's largest trading partner. Actual working-level negotiations for rapprochement have been carried out over the past three months. That is how the protocol came to be formally signed.

[Sonoda] It has been observed that, as a result of the China-South Korea rapprochement, the political power and influence of China in Asia will grow. What is your personal view?

[No] Instead of thinking that its power and influence will grow, we should consider that the cold war structure centering around the Korean peninsula still remains. I feel the establishment of relations with China will make a great contribution to dissolving the cold war structure.

I am sure the development of relations has great meaning, both politically and diplomatically. With this, we are overcoming the difficult relations of the past half century. We will have frank dialogue with China's leaders to promote friendship and cooperation. We will have frank discussions about the situation in northeast Asia as well as in the rest of the world. We will conduct serious talks on the nuclear issue regarding North Korea—which, I think, will prove helpful to both South and North Korea.

[Sonoda] How do you feel about the possibility of North Korea developing nuclear arms? Since the question of mutual inspections is a major obstacle to attempts to improve relations between north and south, are you considering an initiative to make some kind of concession?

[No] As far as the nuclear issue is concerned, this is not simply an issue between South and North Korea, but an

international issue that concerns Japan, China, the Soviet Union [as heard]—in fact, the whole world.

There is an international consensus which recognizes that there can be no doubt over the possibility of North Korea developing nuclear arms. As such, this is a very important issue between South and North Korea. As long as the nuclear arms issue of North Korea remains unsolved, it will be difficult to expect progress on the basic issues. That is how I see it. As stated in the non-nuclearization declaration between the south and north, mutual inspections are necessary. We have constantly asked for implementation of such inspections. We will have to persuade them about the rationale and need for inspections.

North Korea is currently in a difficult—a very difficult—economic situation. Once they recognize that the obstacle to solving their situation is the nuclear arms issue, North Korea will have no choice but to accept inspections. I believe they will eventually do so.

[Sonoda] There is no doubt that with South Korea and China normalizing relations, North Korea will become more diplomatically isolated than before. When that is the case, do you think there is any possibility of North Korea changing its attitude regarding South-North dialogue?

[No] There are tremendous changes taking place around North Korea. I think it will be impossible for North Korea to stand alone and remain unchanged. It is inevitable that North Korea will also change. All nations except North Korea are opening up, undergoing reform, and looking for a new order.

I have already explained this to the international community. We do not want North Korea to be isolated. I think the establishment of diplomatic relations between South Korea and China will accelerate the process of ending the cold war on the Korean peninsula. With the situation around North Korea changing, that country should also change.

[Sonoda] What is your view of the possibility of North Korea wanting to revise its stand to improve relations with Japan or the United States?

[No] If the nuclear issue is resolved, what they are hoping to achieve—improving relations with Japan and with the United States—can make progress speedily. Our stand, or that of the United States or Japan, is the same in this regard. I think the nuclear issue depends on what choice North Korea will make.

[Sonoda] With respect to the question of easing tensions between South and North Korea, do you foresee any possibility of a dramatic change occurring during your tenure as president? If conditions become ready during your term of office, would you be willing to meet with President Kim Il-song?

[No] It is difficult to predict such a dramatic change. Your question in fact means whether there will be a summit with President Kim Il-song. Actually, I would like to say the question has nothing to do with our

establishing relations with China or with the Soviet Union in 1990. Most important is to realize that the best way is for the responsible people of the two parties—South and North Korea—to get together and solve all the problems. I have proposed using this course and to meet him anytime, anywhere. All the conditions have been provided, and we have opened our hearts. If President Kim Il-song says he is ready, I am also ready. That is the current state of the matter.

[Sonoda] Now I would like to turn to the subject of ROK-Japanese relations. As you may have heard, the emperor's visit to China has been set for late next month. I recall that when you visited Japan two years ago, you invited the emperor to visit South Korea. Regarding the timing of the emperor's visit, when do you think it will be appropriate for him to make the visit?

[No] As you said, when I visited Japan two years ago I invited him to visit South Korea. I deeply regret that the visit could not have taken place during my term in office. I do not have much time left, and I understand he is scheduled to visit China soon. Even if it cannot happen during my tenure, I hope he will be able to make the visit once a new government has been installed—a visit made amidst the warm welcome of the people of South Korea.

[Sonoda] Earlier this year, when Prime Minister Miyazawa visited South Korea, the two governments agreed to look into the issue of Korean girls mobilized as comfort women for Japanese troops, and to come up with a measure to deal with them before the end of this year. What kind of response do you hope to receive from the Japanese Government regarding the smoothing of ROK-Japanese relations over this issue?

[No] Many of the girls who were taken as war-time comfort women were only 20 years old at the time. Since 47 years have passed since the war ended, they are now in their sixties. The realities they face remain unhealable wounds. Because those wounds cannot be healed, the matter continues to be an issue. As such, both countries need to make efforts to help heal those wounds. This can be done by truthfully and accurately recognizing the wrongdoings, and by taking appropriate action to redress them. First of all, Japan should take the initiative in these actions. When such actions come into place, ROK-Japanese relations can and should be constructive and solid.

Seoul, Beijing Said Discussing Peace Treaty

SK0409073792 Seoul CHUNGANG ILBO in Korean
4 Sep 92 p 1

[Text] It has been learned that with President No Tae-u's upcoming visit to Beijing and his summit talks with PRC leaders approaching, the ROK and PRC are earnestly discussing ways to replace the Armistice Agreement with a peace treaty on the Korean peninsula.

A high-ranking government source on 4 September said: A great opportunity has opened for signing a peace treaty as a result of the normalization of diplomatic relations

with the PRC, which is a party concerned to the Armistice Agreement. The PRC also agreed to this in principle. At the same time, the PRC will ask North Korea to suspend developing nuclear weapons and inform it of its intention on this.

He added: According to the realistic necessity for improving relations with Western countries, including the United States and Japan, and because of the situational changes taking place in relations between the ROK and PRC, such as the establishment of diplomatic relations, North Korea cannot help paying deep attention to signing a peace treaty with the United States. The conversion of the Armistice Agreement structure into a peace treaty structure will greatly promote the country's peaceful reunification.

Such remarks forecast changes; that is, the signing of a peace treaty between the ROK and PRC will mean "building a peace structure" on the Korean peninsula, because the ROK is a party concerned to the Korean war even if it did not participate in signing the Armistice Agreement. Thereby, it draws our attention.

It is very possible for North Korea and the United States, which are parties concerned to the Armistice Agreement, to replace the Armistice Agreement with a peace treaty when the ROK signs a peace treaty with the PRC.

North Korea has advocated so far replacing the Armistice Agreement with a peace treaty. However, the ROK and United States have refused this.

Therefore, it is suspected that the ROK and United States have closely discussed accepting the signing of a peace treaty with North Korea when it abandons its nuclear development intentions. It is also predicted that North Korea may show flexibility in its tough attitude because of the establishment of the ROK-PRC diplomatic relations and that affirmative affects will be produced for advancing relations between the North and the South if the peace structure is built on the Korean peninsula.

Sides 'Cannot Sign a Peace Treaty'

SK0409085292 Seoul YONHAP in English 0655 GMT
4 Sep 92

[Text] Seoul, Sept. 4 (YONHAP)—South Korea and China cannot sign a peace treaty for the same reason that North Korea and the United States cannot, a senior Foreign Ministry official said Friday.

"A peace treaty is a device ending a state of war between two countries. South Korea and China can't sign a treaty because they are not at war," the official said on condition of anonymity.

He was responding to a report in a vernacular daily Friday that says Seoul and Beijing are discussing how to replace the Korean Armistice Agreement with a peace accord.

The CHUNGANG daily news, quoting an unnamed "ranking government source," said the normalization last month of relations between South Korea and China provided momentum for the conclusion of a peace treaty between the two countries and China had agreed in principle that one was needed.

North Korea has long argued for a peace accord with the United States, but both Seoul and Washington have rejected the idea, saying any peace treaty should be signed by the two Koreas because they were the parties fighting the war.

The Korean war began in 1950, and the 1953 Armistice Agreement that ended the fighting was signed by the U.S.-led U.N. command on one side, and by North Korea and China on the other side.

"The Chinese position is that it fought against the U.N. forces during the Korean war, not against South Korea," the Foreign Ministry official said.

He said there was no change in the common belief held by the governments in Seoul and Washington that a peace treaty, if it was to replace the armistice, should be signed by the two Koreas, which are technically still at war.

Reduced DPRK Military Exercises Reported

SK0309085092 Seoul YONHAP in English 0823 GMT 3 Sep 92

[Text] Seoul, Sept. 3 (YONHAP)—North Korea has reduced its regular military exercises since 1990 due to changes around the Korean peninsula and its worsening economic condition, notably a shortage of gasoline, a Defense Ministry report on reductions of exercises in the North Korean armed forces said.

The collapse of the Soviet Union and the normalization of ties between Seoul and Moscow led Pyongyang to scrap a regular naval exercise with the Soviet Union, it said.

North Korea had conducted the exercise since 1986, but scrapped it in 1990 with the cooling of relations between Moscow and Pyongyang, the report said.

The exercise was conducted in accordance with the agreement on friendship, cooperation and mutual assistance between North Korea and the Soviet Union signed in 1961 and a counter to the "Team Spirit" annual South Korea-U.S. combined military exercise.

At the same time, North Korea has cut down on independent navy-air force and air force-army joint exercises from four in 1987 to two in 1990 and then one in 1991, the report said.

Naval exercises, for instance, have been reduced a whopping 78 percent in the 1982-1991 period and air exercises decreased 64 percent during the same period to their lowest level since 1972, the report shows.

In the case of training flights, North Korea has maintained a minimal level and instead put pilots in flight simulators and held classroom sessions, it said.

It hasn't conducted a single air-surface exercise since last year, while reducing navy-air force combined exercises from four a year in 1987 to just one last year.

Army Maj. Gen. So Won-sik, director of North Korean information at the Joint Chiefs of Staff, said: "It is a fact that North Korean military training has slowed down to a certain extent."

He attributed the decline to economic difficulty and North Korea's attempt to build up a cause for their demands for the suspension of the Team Spirit exercises in the South.

Gen. So warned against viewing the decline in North Korean military exercises only as an inevitable result of economic difficulty.

"North Korea completed all maneuvers aimed at all-out attack against the South in 1989 so that they could now get anticipated results from map exercises only," So said.

S-N Political Subcommittee Chairmen Meet 4 Sep

SK0409100192 Seoul YONHAP in English 0949 GMT 4 Sep 92

[All quotation marks as received]

[Text] Seoul, Sept. 4 (YONHAP)—South and North Korea Friday tried to resolve difference over some clauses of a proposed auxiliary agreement in the area of reconciliation but without any substantial success.

The chairmen of the Political Subcommittee of the South-North prime ministers meeting decided to meet again on Sept. 8 to continue the discussion.

At Friday's contact held at Tongilgak of Panmunjom, Chairman Yi Tong-pok from the South offered to delete two articles of the South's version of the auxiliary agreement, which the North opposed most, and, in return, asked the North to withdraw three clauses of their version unacceptable by the South.

Yi said the South was willing to delete two clauses regarding the "special relationship between the South and the North."

The three clauses Yi wanted the North to scrap were those on allowing exceptions to non-intervention in each other's internal affairs, joining of the U.N. under a single inter-Korean seat, and repeal of military treaties signed with other countries.

The North's chairman Paek Nam-chun asserted, "the logic of one Korea' should be embodied by all means in the proposed auxiliary agreement. We can under no circumstance accept the South's version using the description of separate states."

Emerging from the contact, Yi Tong-pok said the next contact on Sept. 8 will hold the keys to whether or not an auxiliary agreement could be adopted at the eighth prime ministers meeting slated for Sept. 15 in Pyongyang.

Inter-Korean Liaison Officers Meet 4 Sep

SK0409101092 Seoul YONHAP in English 0952 GMT 4 Sep 92

[Text] Seoul, Sept. 4 (YONHAP)—An inter-Korean liaison officers contact at Panmunjom Friday agreed that the South Korean feasibility survey team set to visit the North Sept. 21-26 over the Nampo industrial estate would be formed among government and business representatives.

The contact, however, failed to reach an accord on the size of the mission and on who should head the mission. Another liaison officers contact is set for Sept. 8 at Panmunjom.

At Friday's contact, the South suggested the mission would comprise 25 persons, but the North wanted to make it about 10.

As for the selection of mission chief, the South offered to name a mission head among government officials with Daewoo Group Chairman Kim U-chung as advisor.

The North, however, insisted that Kim U-chung should be the mission head.

On the visit to the North by Deputy Prime Minister Choe Kak-kyu on Oct. 3-9, the South suggested that Choe's delegation should comprise 20 to 30 people, while the North wanted a 10-man delegation.

North, South Agree To Open Air Route at Meeting

SK0409013492 Seoul THE KOREA HERALD in English 4 Sep 92 pp 1, 4

[Text] South and North Korea yesterday agreed to open an air route connecting the Kimpo and Sunan airports near their capitals for use in future inter-Korean exchanges and cooperation, the National Unification Board (NUB) said.

They also decided to open Pusan in the South and Chongjin in the north for inter-Korean trade in addition to the two ports from each side they earlier agreed on Incheon and Pohang of the South and Nampo and Wonsan of the North, it said.

These are among the 36 articles that the two Koreans newly agreed to include in a subsidiary agreement on inter-Korean cooperation and exchanges at the seventh session of the South-North Exchanges and Cooperation Sub-committee at the truce village of Panmunjom yesterday.

The subcommittee decided to have the Economic Exchange and Cooperation Joint Commission, to be formed soon during the eighth round of South-North prime minister's talks in Pyongyang this month, adopt a separate agreement on the ways of payment in inter-Korean trade, investment guarantee, prevention of

double taxation and procedures for settlement of disputes, according to the board.

The subcommittee also had the joint commission decide general principles of inter-Korean economic exchanges and let the businessmen choose details, the NUB said.

The two sides have agreed on 62 of the 70 articles in the subsidiary agreement so far. They will continue negotiations on the remaining eight articles during a meeting of the subcommittee chairman of each side Sept. 7 or Sept. 10, the board said.

North Korea will soon complete legislation authorizing 100 percent foreign investment in a free trade economic zone comprising Najin and Sonbong near the Tumen River, North Korean officials were quoted as telling South Koreans yesterday.

Parliamentary approval is the only remaining step for the legislation, said a South Korean official who attended the seventh session of the South-North Exchanges and Cooperation Subcommittee at the truce village of Panmunjom.

He also quoted north Korean officials as saying that the free economic zone will be open to South Koreans.

Pyongyang hopes that South Korean companies invest for the development of the Najin-Sonbong special economic zone, according to him.

*** North Korean-Japanese Relations Souring**

922C0231A Seoul HANGYORE SINMUN in Korean 7 Aug 92 p 5

[By reporter Kang Tae-ho: "Sudden Coolness Hits the Friendly Atmosphere between North Korea and Japan"]

[Text] Lately, North Korea-Japan relations have shown ominous signs.

Since early July, in connection with Japan's passage of the PKO (peace-keeping operations) Cooperation Act paving the way for deployment overseas of its Self-Defense Forces [SDF], and with its construction of a nuclear reprocessing facility for a fast breeder reactor, North Korea has kept criticizing Japan through media and other means with unusual intensity, charging that it has embarked on the road to a military, nuclear giant and entered "a new stage of overseas expansion."

Meanwhile, Japan, for its part, departed from its position of only demanding the International Atomic Energy Agency [IAEA] inspection to dispel misgivings about a North Korean nuclear weapons program, moving increasingly openly to make a North-South Korea mutual inspection plan a precondition for normalization of Japan-North Korea relations.

In a MAINICHI SHIMBUN interview in late June, Yi Sam-no, head of the North Korean delegation to the normalization talks with Japan, warned that if Japan

should attempt to make the mutual inspection plan a precondition for normalization, it would plunge the relationship between the two countries into the worst crisis ever.

The wrangling between the two countries assumed increasingly serious proportions, especially as it resulted in the postponement of the eighth-round normalization talks originally scheduled for late July.

The two sides had agreed at the seventh round of the talks in May to hold the next round in late July. Japanese press reports quoted an informed Foreign Ministry source as saying that the eighth-round talks might be put off until August or thereafter, however. TOKYO SHIMBUN disclosed that the Japanese government linked the normalization talks to North Korea's response to the mutual inspection plan. While neither government has made public its official position, NODONG SINMUN, in a direct comment on the TOKYO SHIMBUN report, accused Japan of creating an artificial barrier to the normalization talks, and judging from this, it is evident that the talks have been put off.

In retrospect, it can be said that the rapprochement moves between the two countries had progressed smoothly until sometime in May this year at least, through exchanges and cooperation.

Especially, more than 50 North Korean dignitaries visited Japan between late March and early April, including Hwang Chang-yop, secretary of the Workers Party of Korea [WPK]; Han Si-hae, vice chairman of the Committee for the Peaceful Reunification of the Fatherland; Yo Yon-ku, vice chairman of the Supreme People's Assembly; Pak Kwan-ho, president of Kim Il-song University. Meanwhile, on the occasion of President Kim Il-song's birthday in mid-April, mammoth delegations of the Liberal Democratic Party [LDP] and the Socialist Party of Japan visited North Korea.

At the time, it appeared that North Korea and Japan's LDP, spurred by this friendly atmosphere, had agreed to a formula for finding a breakthrough toward better relations. According to a KYODO report in late April, quoting an informed LDP source, the two sides had agreed: that Japan will invite Kim Yong-sun, WPK secretary, to Japan in mid-June; that timing with it, a Japan-North Korea friendship association representing political and business leaders in Japan would be formed, and that with this association serving as a contact point, a visit to the homeland of Japanese wives residing in North Korea—which Japan had been demanding—would be realized in August.

While pressing for WPK secretary Kim Yong-sun's Japan visit, the Japanese side reportedly made it clear that it "wishes to give the normalization some flexibility." When put in the light of a positive comment made by Yi Sam-no after the seventh-round talks, to the effect that "points of difference and those of agreement between the two sides have become clearer," this could mean that if the two sides were to arrive at an early

settlement, it would require a high-level political decision, and that in that context, Japan sought WPK secretary Kim Yong-sun's visit to Japan.

Especially, the fact that Japan wished Kim Yong-sun to visit Japan in mid-June could be seen as based on its judgement that a regular IAEA board meeting scheduled prior to it could substantially dispel the international misgivings about a North Korean nuclear weapon program.

Despite an IAEA special inspection and a report by IAEA Secretary General Hans Blix that made clear that the allegations of "imminent nuclear weapon development" by North Korea were an exaggeration, however, Kim Yong-sun's Japan visit was not realized. TOKYO SHIMBUN reported on 22 June that the visit was postponed indefinitely until after the fall.

The reason for the postponement is not clear. It is of great interest that it was about the same time that North Korea, amid the impasse in Japan relations, began making overtures to the United States in earnest, however, and that North and South Korea, through their contacts in Beijing, discussed a visit to Seoul by North Korean Vice Premier Kim Tal-hyon.

Yi Sam-no, North Korean delegate to the normalization talks with Japan, at an international conference held in Hawaii on 22-25 June, made remarks showing Pyongyang's flexible stance in dealing with relations with the United States—although he later denied reports that he disclosed North Korea's "approval of the U.S. Forces stationed" in South Korea. It was also about the same time that President Kim Il-song showed his position to William Taylor, deputy director of the International Institute for Strategic Studies, that if a North Korea-U.S. high-level meeting is held, the North-South Korea mutual inspection issue can be resolved.

It is noteworthy, especially, that Yi Sam-no, referring to the normalization negotiations with Japan at the same international conference, revealed that North Korea and Japan had reached agreement on a "package deal formula" to settle simultaneously the basic issues such as jurisdiction (the sphere of sovereignty) and the economic issues including reparations and claims. It means that North Korea withdrew its proposal for "establishing diplomatic relations first and settling pending issues thereafter," a proposal it made as a means to break the impasse in the normalization talks.

In other words, Pyongyang took the stance of making no compromise but clearly defining its position as the victim and Japan's responsibility for the damage it caused and of demanding reparations and compensations. It decided to grapple with Japan squarely, instead of clinging on to the hopes of first establishing diplomatic relations with it. It is also possible that North Korea was led by a judgement that opening the possibilities of economic cooperation with South Korea and rapprochement with the United States would help strengthen its position toward Japan.

On the other hand, as for Japan, it can be said that it is relatively at a disadvantage because of apprehensions in the neighboring countries over the anticipated SDF overseas deployment and the possibility of its nuclear arming.

It is for this reason that Japan is stalling the normalization talks while using the North-South mutual inspection plan as a pretext. Therefore, experts note that the North Korea-Japan tug of war will likely continue for some more time.

*** Research Institutes Emphasize Japan Studies**

922C0233A Seoul HANGUK KYONGJE SINMUN
in Korean 29 Jul 92 p 3

[Article by reporter Cha Pyong-sok: "Japan Studies Are Booming Among Government-Funded Research Organizations"]

[Text] Japan studies are booming among government-funded research institutes.

The Korea Development Institute (KDI), the Korea Institute for Industrial Economics and Technology (KIET), the Korea Institute of External Economic Policies (KIEP), and other national policy research institutes are currently pushing vigorously measures designed to step up Japan studies, measures such as expansion of existing research facilities, establishment of field research centers, and organization of research coordination bodies.

Understandably, this trend stems from the admission of the reality that we are short in-depth studies of Japan, although Japan is getting more and more important in the world economy and our trade deficit with Japan is ever increasing.

Of all research organizations, the KIET is most ambitious in the study of Japan. It plans to upgrade its existing Japan Studies Room, where nine researchers (including three Ph.D.'s) are engaged in research work on Japan, to the Center for Japan Studies and increase the number of its personnel drastically to 30 by next year. To this end, the KIET plans to request an additional funding allocation of approximately 1 billion won in its budget for the next year.

The KIET is looking for ways to cooperate in the field of research with the Asian Economic Research Institute under the Japanese Ministry of Trade and Industry. It has also drawn up a plan to feed various information materials on Japan into a data base so that they may be made available to our domestic enterprises. It has also drawn up a mid-range plan to establish a Japanese industrial information center by 1995. Under the plan, the center will receive a wide range of economic, industrial, and technological data from the Japan Government Publications Center, the Hitotsubashi University, the Nomura General Research Institute, and other Japanese institutes and make them available to our domestic enterprises and other customers. As part of this plan, the

KIET has virtually reached an agreement to receive 100,000 books, over 1,000 magazines, and 100 or more newspapers from the Japan Asian Economic Research Institute free of charge for the next five years.

To establish this information center which will cost more than 5 billion won including the construction cost, the KIET is studying a concrete way for securing the necessary budget allocation, as well as operation plans.

It is the same with the KIEP, which is whetting its interest in Japan as never before as it is badly in need of information on Japan. The concern KIEP, whose main field of study is foreign trade issues, has decided to set up what is tentatively designated as the Korea Economic Institute in Japan (KEIJ), a kind of field subsidiary, in the latter part of 1993.

The KEIJ, whose purpose is to collect field information and promote understanding between the economic communities of the two countries, has a blueprint for hiring a Japanese national as its director and engaging in lobbying activities to win Japanese support for Korea. To push this plan, the KIEP has filed a request for a budgetary allocation of some 500 to 600 million won for the next fiscal year. The KIEP currently operating a similar institute called the Korea Economic Institute (KEI) in the United States.

Pointing out that "the role of Japan will further increase in the Northeast Asian region amid the rapidly changing world trends," KIEP Deputy Director So Chang-won said, "in analyzing the latest information on Japan in an objective manner, it is most desirable to set up a field research institute." "At present," he added, "the KIEP has only two Japan researchers, but as soon as opportunity offers, we will increase experts on Japan and step up the study of Japan."

The KDI is also quietly increasing its level of interest in the study of Japan.

The KDI, which mainly studies domestic macroeconomic policies, believes that in developing realistic economic policies, Japan's experience is useful as a reference. It is a well known fact that in studying the so-called "new industrial policy" early in the year, the KDI used Japan's industrial policy as a model.

As of this moment, the KDI has no concrete plan for Japan studies, but it continues to exhibit its interest in participating in the study of Japan.

A KDI official disclosed that the KDI is promoting the idea of organizing a research coordinating body to coordinate overall the study of Japan being carried out by various specialized research organizations, and having the KDI play the role of a coordinator in it. This idea is based on the judgement that at a time when research organizations have ballooned to the limit, it is improper to further increase personnel or expand facilities for the study of Japan.

The KDI plans to send researchers to Japan on a short stay, beginning in the latter part of the year, if everything goes well, in order to have a fresh perception of Japan. This plan stems from the judgement that more than 90 percent of the KDI research members have U.S. doctorates, and in this context it is important to have a broader understanding of Japan in maintaining a sense of balance.

Concerned experts view the atmosphere of widening interest in Japan studies as "encouraging" for now, for the influence of Japan on our economy has steadily increased, whether we like it or not. Experts point out that under these circumstances, we know too little about Japan despite the illusion that we know a lot about it.

They are unanimous in saying that there should be role sharing in research among various research organizations in order that Japan studies, which are spreading

like a wave of vogue, may not end up a flash in the pan but meet the demand for information on Japan on a continuing basis.

The call for role sharing stems from the fear that should research organizations be rather interested in competing with one another for the paraphernalia of "Japan studies," it would only lead to an excessive duplication of research work and thus result in lack-luster researches. Inasmuch as their money comes from the same "purse," there should be a clearly delineation of role coordination among government-funded research institutes. Only then is it possible to increase the effectiveness of research and prevent the waste of the budget money.

It is too early to predict whether the current Japan studies boom will add momentum to gaining a fresh perception of Japan or prove to be a passing "wind" which will stir up an unnecessary competition among research organizations and then simply dissipate.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Meets Indian, Singapore, Iranian Leaders

BK0309144092 Kuala Lumpur Radio Malaysia
Network in English 1330 GMT 3 Sep 92

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed and Indian Prime Minister Narasimha Rao met informally in Jakarta and exchanged views on the future role of the Nonaligned Movement, NAM, in the post-cold war period. In their brief discussions, both leaders concurred that NAM should be used effectively to enhance South-South cooperation. Foreign Ministry Deputy Secretary General Datuk Abdul Halim Ali told reporters. The two leaders are among some 60 heads of state and government attending the on-going 10th summit of the movement at the Jakarta Hilton Convention Center. Datuk Abdul Halim said the two leaders also touched on bilateral issues, and the Indian prime minister took the opportunity to extend an invitation to Datuk Sri Dr. Mahathir to visit India.

Earlier, Datuk Sri Dr. Mahathir held talks with Singapore Prime Minister Goh Chok Tong and exchanged views on the progress of NAM and how to make it more effective. Datuk Abdul Halim said during the 30-minute talks, they also covered bilateral issues.

Datuk Sri Dr. Mahathir also held meetings with the president of the Maldives, Maumoon Gayoom, and Iranian President Ali Akbar Hashemi-Rafsanjani. Datuk Abdul Halim said Gayoom commended Datuk Sri Dr. Mahathir for speaking up for Third World countries in his speech during the general debate on Tuesday. Mr. Gayoom also expressed the hope that Malaysia Airlines would start air services to the Maldives as soon as possible to help boost its tourism industry. Datuk Abdul Halim said Mr. Rafsanjani was keen to learn from Malaysia's experience in industrial development and attracting foreign investment.

Datuk Sri Dr. Mahathir is scheduled to meet President Suharto and Cambodian Supreme National Council head Prince Norodom Sihanouk this evening.

Mahathir Worried APEC 'Might Be Used'

BK0309062192 Bangkok BANGKOK POST in English
3 Sep 92 p 19

[By Anurat Maniphan in Jakarta]

[Text] Malaysia remains "very worried" that the Asian Pacific Economic Cooperation (APEC) grouping might be used by powerful member states, Prime Minister Mahathir Mohamad said here yesterday.

Malaysia was "not keen" for Association of Southeast Asian Nations (ASEAN) states to join APEC from the

beginning because it feared they would be "lost" among bigger powers, he told a press briefing.

APEC includes the six ASEAN states, the United States, Canada, Australia, South Korea, New Zealand, Taiwan, Hong Kong and China. The group came together in Australia in 1989.

"We are still very worried that APEC might not serve the purpose of this (Southeast Asian) region and (that) it might be used by the more powerful nations for their own interests," the Malaysian Prime Minister said.

At the same time, Dr Mahathir said he was "very disappointed" with U.S. opposition to Malaysia's proposal for the establishment of an East Asian Economic Caucus (EAEC).

"We cannot understand this because they have just formed NAFTA, which is a trade bloc pure and simple," he said.

"We are trying to form a forum where we can voice our fears and maybe take a common stand with regard to world trade but we are not allowed to. We are literally not allowed to ... we are not even a colony."

The North American Free Trade Arrangement (NAFTA), which brings together the U.S., Canada and Mexico, was launched last month.

Dr Mahathir made his remarks shortly before Singapore's Premier Goh Chok Tong called on the Non-Aligned Movement to consider forming "mutually beneficial arrangements" along the lines of NAFTA, the single European market and the ASEAN Free Trade Area (AFTA), which is to be set up in 15 years.

"For the vast majority of our citizens economic development is the most pressing issue," he said. "Our citizens want to see and experience real improvements in their lives not more ideologies and rhetoric."

But economic competition would be "the big challenge for the next 10 years", he said. Developed countries had come up with the single European market and NAFTA which would "improve the economic competitiveness of the members and the lives of their citizens".

"We must try to work out equally practical and mutually beneficial arrangements among our own member states."

ASEAN states were working on AFTA and "other developing countries" in NAM could set up similar arrangements.

But he stressed that any new arrangement must observe free trade principles and the multilateral trading system as embodied by the General Agreement on Tariffs and Trade (GATT).

Singapore's Prime Minister noted that Southern Hemisphere-Northern Hemisphere exports—estimated at U.S.\$1.1 trillion in 1990—were worth twice the amount of South-South exports, valued at U.S.\$573 billion.

Though he did not foresee any great reduction on the South's dependence on markets in countries of the North in the near future, he urged continued efforts to promote South-North relations in tandem with enhanced South-South cooperation.

The South had to be "pragmatic and realistic", he said. Developing countries must be prepared for some division of OECD trade and aid resources to Eastern Europe and Russia.

"To ensure that our needs are not neglected we should work out mutually beneficial arrangements with the developed countries," he said.

Commentary Hails Mahathir's NAM Opening Address

BK0209114592 Kuala Lumpur Voice of Malaysia in English 0800 GMT 2 Sep 92

[Station commentary]

[Text] Malaysian Prime Minister Dr. Mahathir Mohamed has outlined several proposals for the revitalization of the Nonaligned Movement [NAM]. In what we can describe as a frank and hard-hitting address, he offered much food for thought to all delegates to the Nonaligned Movement or NAM summit in Jakarta.

Malaysians who followed the prime minister's argument proved this a very clear blueprint for NAM to cope with new realities. When it was founded in the late fifties and early sixties, the nonaligned group was more concerned, understandably, with painful colonial issues. Today, with a few exceptions, colonialism has disappeared. There is a great need to address other issues and problems.

The Malaysian prime minister analysed the power plays of the richer nations, which will pass around to a new form of (?subordination.) He cited facts and figures to prove that the poorer nations are losing out in a number of ways. The policy of protectionism was no longer criticised in many forums in recent years, he has too perceived. What it amounts to in real terms is that the hardworking developing countries are not able to penetrate the markets of affluent nations. Tariff barriers, quotas, and [word indistinct] restrictions to ensure that processed goods from developing countries do not compete with high-cost domestic goods. The loss to the Third World is about 1,200 billion U.S. dollars. This is about 10 times the value of foreign assistance granted to the developing countries. And yet there is no other full form of a human right and freedom expressive for the more powerful [word indistinct].

The Malaysian prime minister has critically examined the well-meant concept of the new economic order. He feels that this order cannot be determined by a few interests that impose on the many. As expected, Dr. Mahathir spoke strongly on the situation in Bosnia. His views are [word indistinct] of the entire Malaysian people.

Along with concern for the Muslim population of Bosnia, there is shock and disbelief over the unwillingness to save these people.

It is thanks to the credit of the present NAM leadership that Serbia is not even allowed to hand over the chairmanship officially to Indonesia. World public opinion is arrayed solidly against Serbia. It cannot be allowed to make propaganda capital at the thought that Yugoslavia was a founder and leading member of NAM in the past.

The consensus reached at NAM will be the basis of the Third World's posture at the forthcoming General Assembly of the UN. Dr. Mahathir's perspective, based on (?cross) section, will no doubt be acceptable to many world leaders. NAM is still relevant in the aspirations of the Third World in particular.

Malaysia will do everything possible to enable NAM to maintain its influence in world affairs jointly.

Singapore

Opening of Embassy in Hanoi Reported

BK0309115292 Singapore THE STRAITS TIMES in English 3 Sep 92 p 2

[Text] Singapore has opened an embassy in Hanoi, to be headed by a Charge d'Affaires, Mr. Ong Lu King. A Ministry of Foreign Affairs spokesman yesterday said that Mr. Ong, a career diplomat, was formerly the counsellor in Singapore's embassy in Cairo.

An AFP report yesterday quoted Mr. Ong in Hanoi as saying that the embassy would be housed in temporary quarters for the next few months. It would then moved into the former Bulgarian Embassy, which is under renovation.

Vietnamese Prime Minister Vo Van Kiet visited Singapore in October last year. During the visit, Prime Minister Goh Chok Tong said that he agreed in principle that the two countries should set up diplomatic missions.

Cambodia

Sihanouk Says To Exclude KR From Peace Process

BK0309154892 Hong Kong AFP in English 1522 GMT 3 Sep 92

[Text] Jakarta, Sept 3 (AFP)—Cambodia's Prince Norodom Sihanouk said here Thursday that the Khmer Rouge [KR] did not appear to have the military might that was generally believed.

"They are not successful. They have tried to take more territories, but they are not successful," said the Cambodian head of state to journalists attending the 10th Non-Aligned Movement summit here.

"According to the U.N. assessment...it seems they are not so strong," he said.

The prince said that although he had no exact information on the Khmer Rouge's strength, he said the failure of their offensive against Hun Sen's troops a few months ago was a strong indication of their relative weakness as a fighting force.

The prince also said the Khmer Rouge "have not changed at all, they want us to expel all Vietnamese from Cambodia, they want the U.N. to disband the government of Hun Sen...the U.N. says there is no way to do such a thing."

"If (the Khmer Rouge) don't want to join the others in the peace process, in the election process, we might put them all aside, let them live their own life in their zone, and in 85 percent of Cambodia we can resolve the problems in compliance with the provisions of the Paris peace agreement," Sihanouk said.

The prince stressed that elections should go ahead outside the Khmer Rouge areas.

"I have advised the U.N. to rehabilitate the people, reconstruct the country in the non-Khmer Rouge zone, and there will be, there must be elections in the non-Khmer Rouge zone," he said.

In Phnom Penh a U.N. spokesman said the Khmer Rouge had demanded the resignation of U.N. peace-keeping force chief Yasushi Akashi, who had ruled out any such move.

Hor Namhong on Peace Process, Japan Role

*BK0309131192 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
2 Sep 92*

[Interview with Foreign Minister Hor Namhong by Professor Yuichi Masushi—not further identified—on 17 August in Phnom Penh; read by announcer]

[Text] [Masushi] Generally, what is your opinion on the peace process?

[Hor Namhong] The Paris accords have given a chance to the Cambodian people who have experienced nothing but wars, miseries, and destruction for more than 20 years. These accords will bring about a lasting peace for national reconstruction. Unfortunately, the Khmer Rouge have so far refused to implement these accords by setting unacceptable conditions.

[Masushi] I had an interview with a Khmer Rouge representative who said that 2 million Vietnamese nationals are now living in Cambodia with Vietnamese soldiers in disguise mingling among them. Is this true?

[Hor Namhong] In refusing to implement the Paris accords, the Khmer Rouge have persistently set two conditions: First, they have always claimed that Vietnamese troops disguised as civilians are present in Cambodia. UNTAC [UN Transitional Authority in Cambodia], through Mr. Sadry—Mr. Akashi's deputy—has already declared that

there are no more Vietnamese troops in Cambodia, that investigations have been conducted, and no Vietnamese troops have been found in Cambodia. Therefore, there is only the question of Vietnamese civilians seeking jobs in Cambodia and no one should violate the rights of these civilians. We must settle this problem with Vietnam on an equal footing and in a fully independent, peaceful, and friendly atmosphere.

[Masushi] The Khmer Rouge have much distrust for the talks between yours and the Vietnamese Government.

[Hor Namhong] The elections will take place next year. It is not certain that the Phnom Penh government will continue to function after that. In any case, there will be a change of government members or there will be an entirely new government. This is because of the elections. The Khmer Rouge are very good at theories, at polemic wars. But the Khmer Rouge themselves are not independent.

[Masushi] In the second condition set by the Khmer Rouge, does the consolidation of the Supreme National Council—SNC—mean the dissolution of the Phnom Penh government?

[Hor Namhong] Mr. Akashi and [Australian Foreign Minister] Gareth Evans have already responded to the Khmer Rouge. In the Paris accords it is stipulated that the SNC is the sole authority in Cambodia during the transitional period. But one must not interpret just a single aspect of the Paris accords. The Paris accords constitute an entire bloc. For this reason, during the conference on the rehabilitation and reconstruction of Cambodia in Tokyo last June, Mr. Ali Alatas, Indonesian foreign minister and cochairman of the Paris conference on Cambodia, spent almost one hour explaining the role of the SNC to Mr. Khieu Samphan. It is true that the SNC represents Cambodia's sovereignty in the transitional period. However, I would like to point out the part of the Paris accords which says that the SNC hands over the necessary powers to UNTAC to implement the accords. Therefore, UNTAC has sufficient powers to oversee civil administration. Nevertheless, before going to Tokyo in June the Khmer Rouge demanded that the SNC be given the power of a special government. In Tokyo, after listening to Mr. Ali Alatas, the Khmer Rouge did not make any argument in protest against the power of the SNC at all. Now, the Khmer Rouge have changed their tactics by demanding the dissolution of the Phnom Penh government on the grounds that the Paris accords do not mention the existence of any government during the transitional period. I agree that during the transitional period there certainly is no legal official government in Cambodia. But the Paris accords recognize the existing administrations, such as the Phnom Penh administration and the administrations of the Khmer Rouge, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], and the Khmer People's National Liberation Front [KPNLF]. Therefore, these are all governments. If these governments happen to have their parliaments, ministers, and prime ministers, then it would

be their internal arrangements. The existing government of the State of Cambodia should continue to exist. It cannot be dissolved. In the Paris accords there is no mention of governments; nor is there any mention that they must be dissolved.

[Masushi] Why then do the Khmer Rouge always insist on these points?

[Hor Namhong] One should never forget that the Khmer Rouge will never change their strategy. They have entertained their time-honored strategic objective of recapturing power at all costs through all means, including the use of military force. However, they have now signed the Paris accords and they intend to use these accords to attain their objective: to recapture power by weakening the Phnom Penh government. At the same time, they have instigated attacks on Vietnamese nationals and created unrest and confusion to affect the Phnom Penh government so as to prevent this government from winning votes. If the Phnom Penh government loses the election and other factions win it, it will be easy for the Khmer Rouge to return to power. This is a trick of the Khmer Rouge in order to achieve their long-standing strategy. Therefore, I hope that we will not fall into their trap. At present, people are trying to please the Khmer Rouge, but one should not drift too far away from the accords. We are not at the stage of compromise for, or settlement of, the accords. We already have the accords to implement with UNTAC and Mr. Yasushi Akashi, special representative of the UN secretary-general, as authorities responsible for their implementation. Therefore, we must let UNTAC and Mr. Akashi make people implement these accords.

[Masushi] Although Mr. Akashi is trying to implement the accords, if the Khmer Rouge refuse to implement them, will the elections be postponed?

[Hor Namhong] This is not our problem. We are only a faction that implements the accords. Making people implement the accords is the responsibility of UNTAC, of Mr. Akashi. Therefore, I wonder how long will we have to wait for the Khmer Rouge. I think that we should not wait any longer; the process of peace and implementation should move ever onward, even without the Khmer Rouge. The latter should be left aside. We should not give too much importance to the Khmer Rouge. When we give them more importance, they make more demands and set more conditions. I do not believe that the United Nations, which is bankrolling this peace operation, has unlimited possibilities to postpone and postpone the peace process just to wait for the Khmer Rouge to get into the act.

[Masushi] If the Khmer Rouge do not comply with Mr. Yasushi Akashi and UNTAC, they will be kept outside the framework of the Paris accords; can there then be lasting peace?

[Hor Namhong] They are leaving the peace process and the international community by themselves. No one is driving them out. On the contrary, everybody, including

us, is trying hard to keep the Khmer Rouge inside the framework of the peace plan. This is an excellent effort by all of us. However, this is all up to the Khmer Rouge themselves. If they themselves decide to not implement the accords and pull out of the peace plan, then what can we do? Answering your question, I would like to tell you that when the Khmer Rouge decide to pull out of the peace plan, they will resume the guerrilla war. However, I understand that the Khmer Rouge have surely forgotten that the situation has basically changed. The cold war has ended in Southeast Asia as well as the rest of Asia. China has changed and so has Cambodia's internal situation. Prince Sihanouk is currently the head of state residing in Cambodia. The Cambodian people as a whole are striving hard to rebuild the country. Therefore, maybe the Khmer Rouge have made a misjudgment, being unable to bury their strategic design to return to power by all means. But the question is to know whether we are able to engage in national reconstruction should the Khmer Rouge continue their attacks. My answer is yes. First of all, one must not punish the Cambodian people, for they have already suffered for so many years during the reign of the Khmer Rouge. Now, we must not let the Khmer Rouge mistreat the people again. There are many people who have said that should the Khmer Rouge be left outside the framework of the peace process, there could be no lasting genuine peace and consequently they would not be able to help rebuild Cambodia. This, I believe, would be the punishment meted out to the Cambodian people by the Khmer Rouge.

In order to prevent the Khmer Rouge from returning to power, what should be done? The country should first be rebuilt. When the people have higher living standards, they will not be afraid to oppose the Khmer Rouge. The Cambodian people as a whole will join the new government in fighting the Khmer Rouge and I think that we may have many possibilities to suppress the Khmer Rouge like the Communist Party in Malaysia, for the world situation has all changed. Then, the entire Cambodian people will take part in national reconstruction and will be willing to prevent the Khmer Rouge's return to power.

[Masushi] Nevertheless, the Khmer Rouge remain powerful. Do you have any military means to back up your objective?

[Hor Namhong] People abroad always say that the Khmer Rouge are strong. But in reality they are not that strong. We have learned that they have a great amount of income from the sale of timber and precious stones in Pailin to finance their war efforts for many years. However, these natural resources, human resources to serve the army, and intellectual resources will not last forever.

In my opinion, with international aid in addition to the efforts of the people themselves, we will be able to suppress the Khmer Rouge like the Communist Party in Malaysia. They are not as strong as people generally think they are. I have a lot of proof to back up this claim. After the withdrawal of the Vietnamese troops, all of

them—not just the Khmer Rouge, but all the three opposition factions—attempted to seize power. But they could not achieve their objective. It was for this reason that they agreed to sign the Paris accords, for they questioned their own ability to return to power through military means.

[Masushi] Are they going to use rebel-style maneuvers to seize power during the forthcoming elections?

[Hor Namhong] The Khmer Rouge are doing just that. We respect the cease-fire while the Khmer Rouge violate it everyday. Everybody knows that. They shoot at UNTAC helicopters and fire at our positions every day. This means that the Khmer Rouge have violated the cease-fire and defied the Paris accords and the UN Security Council resolutions, which constitutes a provocation to the international community.

[Masushi] Let us suppose that, luckily, the Khmer Rouge accept the disarming of their troops and, if the elections were held just as you have surmised they would, how many seats could the Khmer Rouge win in the National Assembly?

[Hor Namhong] Before I clearly answer this question, I would like to tell you that many provisions in the Paris accords are quite favorable to the Khmer Rouge because on the international stage they are allowed to be a formal part of the SNC. In the future, even if the Khmer Rouge had just a few members in the National Assembly, they would always be part of the legitimate authority. They would also enjoy legitimacy through their political party in Phnom Penh. Therefore, they would get considerable benefits in the future. I do not understand why this has been done, and it remains a puzzle to everybody.

Many have said that the Khmer Rouge are not going to win because all Cambodians have a great dislike for them. Each family has at least five to six members who died at the hands of the Khmer Rouge. No one can forget that. However, you must not forget that the Khmer Rouge are very cunning. They will not run as Khmer Rouge. They will set up a new party with a new name and a new feature, fielding particularly young people who have never been known as Khmer Rouge or as having committed genocide. However, the old-hand Khmer Rouge will remain behind this party.

The Khmer Rouge have a lot of money. They might use that money to win influence and buy arms. We must recognize that Cambodia is among the Third World countries, where finances are a means at the least for influencing the ratification of laws. Therefore, through these means the Khmer Rouge might get enough seats in the National Assembly.

[Masushi] As far as the international community is concerned, as you already know, the situation has completely changed. China no longer is an ally of the Khmer Rouge. What changes then have all these factors generated?

[Hor Namhong] I think that China's interests are not linked to the Khmer Rouge strategy. When I talked

about the essential changes in the international situation, I wanted to deal particularly with the situation in Southeast Asia. China's interests are no longer similar to those of the Khmer Rouge and I do not believe that China will not pursue a Chinese policy toward the Khmer Rouge. Where then lie the interests of China? The interests of China lie in its cooperation with countries in the region as well as those in the rest of the world. However, they are not linked to the leftist and adventurous objectives of the Khmer Rouge.

[Masushi] The Chinese, Thai, and Japanese Governments are making compromises with the Khmer Rouge. Is this effort encumbering or benefiting you?

[Hor Namhong] First of all, I would like to express deep thanks to the Japanese Government for trying to do its best to break through the deadlock created by the Khmer Rouge. It should be mentioned that the Japanese Government in the past made very vigorous and sincere efforts for a political settlement in Cambodia by arranging a meeting in Tokyo in June 1990, which was the basis for the establishment of the SNC. After that, Japan also assisted in organizing the conference on the rehabilitation and reconstruction of Cambodia, in providing for the UNTAC budget, and in sending Japanese troops to Cambodia soon. At the present, the Japanese Government has the sincere desire to help Cambodia out of the deadlock for a lasting peace. We have no doubt about that, but we have an agreement to be implemented. The Paris accords are very complex, but they are particularly cooperative concerning the civil administration. We must not accommodate the Khmer Rouge by parting from the accords. We are no long at the negotiating stage. The Khmer Rouge have forced us to part from the Paris accords and return to the negotiating stage of the past several years. We spent time from 1990 to 1991 just to achieve an agreement. Now the Khmer Rouge want to abandon this agreement. We are in possession of a document of compromises resulting from the efforts made by the five major countries, a document accepted and signed by all factions. Now we must implement this agreement. We must not let the Khmer Rouge set conditions and we must not seek any more compromises to please the Khmer Rouge. I see no other alternative; we must implement the agreement.

[Masushi] I also think that Japan's proposals are for the purpose of seeking compromise, for example, the ones concerning the verification of the presence of Vietnamese troops. If Your Excellency cannot change your attitude, will it lead toward a diplomatic stalemate?

[Hor Namhong] This problem is not between us and the Khmer Rouge. It is a problem between the Khmer Rouge and the UN Security Council, for this council is responsible for making people implement the accords. The Khmer Rouge reject them and set conditions outside the accords. Therefore, we must not try at all costs just to please the Khmer Rouge. As for the verification of the presence of Vietnamese troops, all factions accepted the Tokyo informal document but the Khmer Rouge

rejected it. It was an operation aimed at verifying the presence of foreign troops conducted in response to the condition set by the Khmer Rouge by UNTAC and its mobile teams together with the four factions with the Khmer Rouge having merely to finger out areas suspected of sheltering disguised Vietnamese soldiers or Vietnamese troops. This is already a proposal made in response to the demand of the Khmer Rouge. But the important thing is not just that alone. What the Khmer Rouge want most is to dissolve the government of the State of Cambodia or at least to take part in directly controlling the demobilization of the armed forces. It is for this reason that I am afraid we might fall into the Khmer Rouge trap by seeking to set up various institutions in which the Khmer Rouge would have the right to function and thus impede the normal operations of the Phnom Penh administration. This could cause confusion and disorder that would weaken the Phnom Penh administration. We would thus play right into the hands of the Khmer Rouge.

To shorten this answer, I would like to say that the long-standing strategic ambition of the Khmer Rouge is to seize power during the elections, and in order to reach that goal the Khmer Rouge will use this trick to make the government weak and lose the elections and create splits among all the factions again. Outwardly, the Khmer Rouge might very well succeed in seizing power. We should take a close look at their strategic design and the maneuvers they are using at present.

[Masushi] Then, without Khmer Rouge participation, do you believe that the elections can be held?

[Hor Namhong] We must always move onward. Why do we have to rely on the Khmer Rouge who do not control even 5 percent of the territory? Why do we have to punish the Cambodian people again? The Khmer Rouge massacred millions of Cambodians and they are now obstructing the peace process and national reconciliation.

[Masushi] Unfortunately our government did not recognize your government for a long time, during which Japan recognized the coalition government because public opinion believed that your weakness was that your country was under Vietnamese control. And most Japanese people still have that impression. What should we do?

[Hor Namhong] This question should be divided into several parts:

1. In 1979, without the intervention of Vietnam, which country would have come to save the Cambodian people from the danger of genocide? Without the intervention of Vietnam, how many more Cambodians would have died?

2. Why did Vietnam momentarily stay in Cambodia? This was because, with an immediate Vietnamese withdrawal, the Khmer Rouge would return to power and they would resume their acts of genocide even more brutally than before. For this reason, we let Vietnam stay temporarily. Why? This was because our compatriots were not overseas

Cambodians. Those who lived under the genocidal regime of the Khmer Rouge had the option either to be revived under Vietnam's temporary presence or to be brutally slain under the Khmer Rouge. For this reason, we had no other choice but to accept the temporary presence of the Vietnamese troops. At present, we are able to prevent the Khmer Rouge from using force to return to power. Neither the KPNLF nor FUNCINPEC could have acceded to power if Phnom Penh were defeated by the Khmer Rouge in one way or another during the struggle of the past several years. During these past several years, while suffering from an economic blockade by the international community, we managed with the assistance of the Vietnamese people to prevent the Khmer Rouge from returning to power and resuming the massacre of the Cambodian people. Therefore, that was only a temporary situation. At present, do you see any signs showing that we are not independent and that we are a Vietnamese satellite? Please do not accuse us of being so, and please show proof that we are not independent.

[Masushi] The townspeople have always been indignant at the genocidal regime. How do the people living in the countryside under Khmer Rouge control feel?

[Hor Namhong] Over the past few years Cambodians living in the Khmer Rouge camps have complained of brutalities in those camps. These are the same bloody acts of despotism. When a person who tried to escape from the camps was captured, he was hanged. Prince Norodom Sihanouk and Mr. Akashi can now show you some Khmer Rouge soldiers who have deserted their ranks. If the people hate them, how can the Khmer Rouge recruit their soldiers? These are just children born in those camps who are forced by the Khmer Rouge to join the army after being indoctrinated. The Khmer Rouge have not changed at all.

[Masushi] Japanese troops will come to Cambodia soon. In Japan, debates still rage on in the Diet and among the public. Do you look forward to the arrival of the Japanese troops?

[Hor Namhong] Certainly I understand Japan's internal problem concerning this issue. I understand and, moreover, I respect it. However, that law has already been ratified. I welcome these Japanese troops. This will be the first peace operation undertaken within the UN framework and not a dispatch of troops under a bilateral plan or on any military basis. For this reason, I see it as Japan's good gesture of joining the peacekeeping mission and not of waging any war. We do not make war; we strengthen peace. And the arrival of the Japanese troops within the framework of UNTAC may very well help promote this peace process. The Japanese contingent will be made up largely of engineering troops to help build roads and bridges.

[Masushi] Mr. Minister, please say something to the Japanese people.

[Hor Namhong] I thank you for allowing me to address the Japanese people here. First of all, in my capacity as a Cambodian citizen, as a National Assembly member,

and as an SNC member and on behalf of the government of the State of Cambodia, permit me to express my profound gratitude and thanks to the Japanese people for their contribution to the peace process in Cambodia and for Japan's assistance over the years in the form of humanitarian aid to the people along the border or in other places through nongovernment organizations. We know that it was an important contribution to the international organizations. Likewise, since Cambodia became peaceful, Japan has assisted and continues to assist in the technical and economic fields within the framework of last June's Tokyo conference. This is a great contribution under the sponsorship of the United Nations. In my capacity as a Cambodian but also as an Asian, I would like to tell you that I am proud of Japan, an Asian country, for contributing to my country, your fellow Asian country which is experiencing untold hardship. This reflects the solidarity between the Japanese and Cambodian peoples and shows to the world the solidarity among the countries in Asia. Saying this, I have no intention of rejecting any country or siding with Asian countries only. This does not mean that Japan should not contribute aid to other continents. Of course, economic and technical assistance is for national reconstruction. Moreover, we need the sincere and staunch friendship of the Japanese people. This should be a solid axiom to govern our relations in the future as well as our cooperation in the years to come.

Hor Namhong Meets Foreign Counterparts in Jakarta

*BK0309135392 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
3 Sep 92*

[Text] During his visit to Jakarta to attend the summit conference of the Nonaligned Movement, Foreign Minister Hor Namhong had talks with a number of foreign counterparts—namely, the foreign ministers of Singapore, the Philippines, Malaysia, Bangladesh, Australia, and Brunei—to exchange views on new developments of the situation concerning the implementation of the Paris peace accords on Cambodia.

Hor Namhong informed these foreign ministers of the Khmer Rouge intransigence in refusing to honor the Paris peace accords. He also informed his counterparts that only the faction of the State of Cambodia has scrupulously and honestly implemented the Paris accords. We absolutely cannot accept any proposal contrary to the accords; all proposals must fully abide by the Paris accords, he said.

Foreign Minister Hor Namhong stressed that the Khmer Rouge must be forced to implement the peace accords, especially the second phase of the cease-fire, without allowing them to set any conditions that are contrary to the peace accords.

These foreign ministers condemned the Khmer Rouge for their intransigence, and stressed that all factions must unconditionally implement the accords. They said that they did not understand the intransigence of the Khmer Rouge.

Foreign Minister Hor Namhong told his counterparts that one should not forget that the strategic objective of the Khmer Rouge was to regain power. He also informed them that in the end if the Khmer Rouge continued to refuse to honor the accords, the UN Security Council must take the necessary measures by imposing a punishment on the Khmer Rouge. Those foreign ministers expressed understanding and full support for the good-willed position of our State of Cambodia.

UN Troops Not Allowed To Stop Drug Trafficking

*BK0309094292 Hong Kong AFP in English 0557 GMT
3 Sep 92*

[By Sheri Prasso]

[Text] Phnom Penh, Sept 3 (AFP)—Opium production and trafficking is going on under the noses of United Nations peacekeepers in Cambodia who are powerless to halt the trade because of their limited mandate.

Since setting up military observer points throughout the country, U.N. blue berets say they have discovered an opium refinery near Cambodia's coastal border with Thailand and several boats carrying drugs that would be considered illegal in any other country in the world.

"We don't have legal jurisdiction in Cambodia," said Lieutenant General John Sanderson, who described the drug activity as "small and isolated."

The only thing the United Nations can do about drug trafficking is report it to the Cambodian authorities and suggest that steps be taken to stop it, he said. But Cambodia—despite its location between three of the most opium-rich countries in Asia—has no laws specifically outlawing the trafficking or production of opium, heroin or any other drugs.

The Phnom Penh government, which controls 80 percent of Cambodian soil, has laws that prohibit only "the import, transport or storage of illegal goods," said Ly Vuleng, head of the Department of Jurisprudence at the Phnom Penh Ministry of Justice. Illegal goods are not defined by law.

"We can mean drugs, opium (and) heroin," but in the 13 years since the administration was set up by Hanoi, no one has ever been arrested for it, she said.

Six weeks ago, two U.N. naval observers found a village of 700 people about 20 kilometers (12 miles) north of the provincial capital of Koh Kong, Cambodia's southwestern-most province which has one border along the sea and another with Thailand.

There they found one of the village's main industries was the production of "poor man's opium," said U.N. military spokesman Lieutenant Colonel Dick Palk, who did not want to pinpoint the location. The refinery, part of a poppy plantation in the nearby hills, produces low-grade opium for the local and Thai market, he said.

The report of the refinery was sent to headquarters as an example of the "sorts of things that are happening and (it asked) what procedures should be for dealing with these sorts of activities," Palk said.

Whether there are more refineries along the border with Thailand cannot be determined because the zone controlled by the Khmer Rouge begins just after the opium village, Palk said. The radical faction has not allowed the U.N. Transitional Authority in Cambodia (UNTAC) to carry out inspections inside its zone.

Also about a month ago, a U.N. naval team based in Sihanoukville (formerly Kompong Som) boarded a boat that plies cargo along the coast and found a "small amount of white powder" and a weapons cache. The nationalities of the crew were not known.

"The naval people who spotted it didn't have the ability to test (the powder); they passed the information on to local authorities," Palk said. "It is beyond UNTAC's mandate to get involved in it."

Two boats plying the Mekong River which runs down from Laos were found to be carrying marijuana, which is sold freely and cheaply in Phnom Penh's open markets. The drug is used as a medicine and as a flavoring in chicken soup.

Opium smuggled from Vietnam is also available in the capital, but only clandestinely through private Chinese houses which are reluctant to open up to foreigners.

Only about 15 importers who are themselves addicts bring in the drug, and it is growing more expensive, according to Cambodia's now-elderly former king of opium dens who spoke to AFP on the condition he not be identified. A shipment of 100 grams of pure opium cost 100 U.S. dollars one year ago, but now the same shipment costs 150 to 200 dollars, he said.

The smugglers are having to pay more to bribe border guards and to forge travel documents in some cases, he said. Police in the capital accept small payoffs to leave the smokers in peace.

"We have to hide ourselves and smoke in our houses using little pipes," he said. "If my close friends want to smoke, to help their ailments, they come to my house, but if foreigners come the neighbors will know and start to ask questions."

Indonesia

Air Force Chief on Scud Missile Procurement

BK0409052892 Jakarta KOMPAS in Indonesian
24 Aug 92 pp 1, 16

[Excerpt] Surabaya, KOMPAS—The Indonesian Government is considering purchasing Scud missiles, manufactured by the former Soviet Union, as one of the measures to boost the country's air defense system. Indonesian Air Force Chief

of Staff Marshal Sibun disclosed this to KOMPAS in Surabaya on Saturday 22 August.

"We are collecting data on the weapons we are going to buy and such data will be collated with our defense needs," he said, adding that the Indonesian Air Force will buy not only the guided missiles, but also other armament systems. The purchase of Scud missiles is only one of the available options. However, the Air Force chief of staff declined to elaborate on the type of armament system Indonesia is going to buy.

Scud missiles became very popular during the Gulf War when Iraq used them to bombard cities in Israel and Saudi Arabia.

Asked to comment on the crash of an F-16 Fighting Falcon plane belonging to the Indonesian Air Force in the Trenggalek southern coast in East Java last May, Marshal Sibun said the crash is still under investigation. "Comprehensive investigations will continue," he stressed.

The F-16 plane, which is part of an F-16 squadron based at the Iswahyudi Air Base in Madiun, crashed while carrying out a routine exercise, and the much-touted plane manufactured by the U.S. General Dynamics was completely destroyed. However, there is no official word on the fate of the pilot. It was reported that the pilot managed to bail out [two preceding words in English] from the plane.

The Air Force chief of staff said the mishap had nothing to do with the pilot's competence because the pilot had undergone intensive training. It is possible that the accident was caused by a malfunction in the plane's computer. An F-16 plane is computerized, so if a computer malfunction occurs, the plane will be uncontrollable and is very likely to crash. [passage omitted]

Foreign Minister To Meet Portuguese Counterpart

BK0209145792 Jakarta ANTARA in English 0946 GMT
2 Sep 92

[Text] Jakarta, Sept 2 (ANTARA)—The foreign ministers of Indonesia and Portugal are expected to have an informal meeting during the United Nations General Assembly scheduled to take place later this month in New York, UN Secretary General Butrus Butrus-Ghali told the press here Wednesday.

Butrus-Ghali said that in his meeting with President Suharto it was agreed that the Indonesian and Portuguese foreign ministers should meet without preconditions and have informal talks on problems concerning East Timor.

He hoped that the informal talks would help overcome contentious issues regarding the former Portuguese colony.

East Timor today is Indonesia's 27th province.

Butrus-Ghali also stated that he has agreed to work closely with the Nonaligned Movement (NAM) to

restructure the UN as the international organisation is an instrument of the Nonaligned Movement (NAM) for achieving various goals.

"This morning I met President Suharto and we agreed to remain in close contact so that the United Nations will be of service to NAM and there will be very significant cooperation between the UN and NAM," said Butrus-Ghali, who is here to attend the NAM Summit.

He believes that Indonesia as the new leader of NAM has a very important role to play and also a big responsibility since the movement needs strong leadership more than ever following the end of the cold war.

"With the cooperation between the UN and NAM we will be able to play role in promoting peace and international cooperation," he said. [passage omitted]

Butrus-Ghali, who has been the UN secretary general since 1992, stated that he intends to undertake the democratisation of the UN during his term of office.

Butrus-Ghali called for the active participation of all UN members, cooperation between the UN, regional and non-government organisations, and the press in shaping public opinion on the importance of democracy within the UN.

He also urged all countries to pay more attention to international affairs and be less preoccupied with their internal affairs.

Unless this happens, only a few interested countries will play a significant role in international affairs, he said. If the composition of the Security Council's permanent membership is to be changed, UN Charter No. 109 has to be revised, he said.

The revision of the UN Charter needs the agreement of the five countries having veto rights, these being the United States, France, Britain, Russia and China.

It is the job of interested countries to negotiate with the five permanent members in restructuring the UN.

The UN secretary general expressed his hope that NAM would play a significant role in the international conference on human rights next year, particularly in relation to human rights in developing countries.

He believed that NAM's contribution to the human rights issue will be important.

Laos

Paper Greet's Anniversary of SRV National Day

BK0309144192 Vientiane Vitthayou Hengsat
Radio Network in Lao 0000 GMT 2 Sep 92

[2 September PASASON article: "We Wish Vietnamese People New Victory in Their Renovation Cause"]

[Text] Respected listeners, today, 2 September 1992, the fraternal Vietnamese people are celebrating the 47th anniversary of their national day amid an atmosphere in which all the Vietnamese party, army, and people are actively and enthusiastically competing with one another in implementing the various resolutions adopted at the Seventh Congress of the Communist Party of Vietnam [CPV] and are recording great victories on the path of renovation.

Over the past 47 years, under the leadership of the CPV—the party which was founded and nurtured by President Ho Chi Minh—the gallant and courageous Vietnamese people have stood shoulder to shoulder with the Lao and Cambodian peoples in carrying out protracted revolutions full of difficulties and great sacrifices. They have finally recorded a complete victory in their national liberation struggle by toppling colonialism and neocolonialism, reunifying the country, and taking the whole country toward socialism. At the same time, the Vietnamese people have also fulfilled their glorious internationalist duties.

For more than 10 years after the liberation and unification of the country, faced with numerous trials caused by the aftermath of the war and the encirclement in all fields imposed by various hostile forces, the Vietnamese people have resolutely adhered to the party's policy, taken their country along the path they have chosen, overcome all obstacles and difficulties, and achieved new results in various fields, thus enabling the country to gradually extricate itself from one crisis after another.

The most outstanding achievement is that Vietnam has not only successfully resolved the problem of food shortage, which constituted the most acute problem in the past, but has now become a rice-exporting country. Its national revenue continues to increase every year. Since the beginning of the implementation of the renovation program, Vietnam's national income has reached U.S. \$3 billion so far.

Another praiseworthy success is the development and upgrading of education, the training of cadres for research work, and the application of science and technology. Insurance policies for workers and new arts and culture have been created. At present, the level of culture and the knowledge of the Vietnamese people in science and natural and social science are on the par with those of peoples in the developed countries. These commendable victories and successes of the fraternal Vietnamese people have built a new face for Vietnam and have obviously contributed to a new step of development in the renovation in that country.

We, the Lao people, firmly believe that the Vietnamese people will gradually and firmly translate into reality all resolutions and plans mapped out at the Seventh CPV Congress and will attain yet greater new achievements.

The revolutionary causes of the two countries, Laos and Vietnam, have been closely linked. The parties, governments, and peoples of our two countries have consistently cherished the bilateral Lao-Vietnamese relations

created and nurtured by the great president Ho Chi Minh and will strive to further enhance the relations of friendship, special solidarity, and cooperation between Laos and Vietnam in order to make them continuously flourish. The relations of friendship, special solidarity, and comprehensive cooperation between Laos and Vietnam have not only remained pure under all circumstances but have also been consolidated so that they have improved in quality in accordance with the actual requirements of each period of history.

The Lao-Vietnamese joint communique issued during a recent friendship visit to the Lao People's Democratic Republic [LPDR] by the high-level party-state delegation of the SRV once again reaffirmed the determination of the two parties and two states to further strengthen and consolidate the relations of friendship and special solidarity between Laos and Vietnam and to renovate the various methods of cooperation toward better quality and efficiency in conformity with the abilities of each country on the basis of equality and mutual benefits in the true spirit of fraternity and comradeship.

On this glorious occasion, all the Lao people once again would like to wholeheartedly and sincerely express our overwhelming gratitude toward the fraternal Vietnamese party, government, and people for consistently rendering support and assistance to the revolutionary cause of our Lao people. We sincerely wish the fraternal Vietnamese people greater victories in their renovation cause.

Results of PRC, Burma Border Meetings Reported

*BK0309053992 Vientiane Vitthayou Hengsat
Radio Network in Lao 1200 GMT 2 Sep 92*

[Text] Chaleun Valinthalasak, head of the Lao-Chinese Joint Border Committee, reported on 1 September on the results of the consultative meeting held by the committee and border technicians of Laos and China during his delegation's 40-day working visit to the PRC. He said: Lao and Chinese border technicians held meetings in Beijing, the PRC, between 20 July and 9 August to examine the already drafted border protocol and the complete border map attached to the Lao-Chinese border treaty. The two sides particularly discussed the border problem on the basis of practical conditions. They concentrated on discussing specific points of the border dispute and seeking means to settle them. During the discussion, the two sides considered the various documents as significant, historic documents of the two countries.

Later, the fourth session of the Lao and Chinese joint border committees was held in Beijing between 10 and 19 August. The Lao side was led by Chaleun Valinthalasak, head of the committee. The Chinese side was led by (Yu Wenji), ambassador attached to the Chinese Foreign Ministry and head of the Sino-Lao Joint Border Committee. In the session, the two sides jointly reviewed the work of the border technicians of the two countries; endorsed the border protocol which had been drafted by the border technicians; and examined the complete

border map attached to the border treaty. They also assessed the past operational achievements of the joint border committees. Afterwards, the heads of the joint border committees of the two countries initialed the border protocol and the complete border map attached to the border treaty. The initialing ceremony was held in the presence of Xu Dunxin, vice minister of foreign affairs of China, and Phongsavat Boupha, ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic [LPDR] to the PRC.

The Lao and Chinese joint border committees also participated in the joint meeting of the border committees of Laos, China, and Burma, which was held in Beijing between 20 and 26 August. In the meeting, the representatives of the three countries jointly discussed the problem of overlapping borderlines. The three sides reviewed and assessed the results of their first meeting, which was held in China, and inspected the border post planting at the actual borderline. This planting was completed by the three sides in April this year. In addition, the three sides jointly reviewed the draft protocol and the map of the overlapping borderlines of the three countries.

Conference on Planning, Finance Concluded

*BK0309120192 Vientiane KPL in English 0901 GMT
3 Sep 92*

[Text] Vientiane, September 3 (KPL)—At the closure of a five-day nationwide conference on economy, planning, and finance wound up here on August 31, Mr. Khamphoui Keobualapha, deputy prime minister and minister of economy, planning, and finance, said the discussion at the conference was very useful since it would serve as the new basis for the future activities.

He said that among the bad elements of the past activities was that there remained manifestations of old mechanism in managing the economy, planning, and finance. In addition, the country's natural resources, which were the financial source of revenue, were not adequately tapped.

The conference which was represented by the provinces reviewed the implementation of the budgets as well as the matters regarding the treasury, currency, and salary system. It also reviewed matters on tax, customs and excise, import-export and properties' taxes.

The conference among others also worked out future guideline:

It held that the centralization of finance and the budget is an important factor for the socioeconomic development based on priorities. In this matter, the conference determined the role and obligation of the heads of the economy, planning, and finance services at the province and prefecture levels.

Parts of the allocated budgets, which would need to receive the approvals from the government, would

immediately be released based on the plans. The rest, however, would remain in the central reserve.

The conference determined the structure of the total budget expenditure and estimated the national revenue to be 7.4 per cent more than the previous year.

Mr. Khamphoui Keoboulapha, in his concluding speech, said special attention should be given to finding markets, capital for production and the improvement of the organization for the implementation of economy, planning, and finance.

Philippines

Senators Propose New U.S. Friendship Treaty

HK0409030492 Quezon City MALAYA in English
4 Sep 92 p 8

[By Minnie R. Cadelina—italicized passage published in Tagalog]

[Text] Almost a year after the historic rejection by the Senate of the proposed bases treaty, senators proposed yesterday a new treaty on friendship and cooperation with the United States which would emphasize trade and economic relations.

Anti-bases Sen. [Senator] Wigberto Tanada (LP) [Liberal Party], supported by several senators, filed a resolution "expressing the sense of the Senate that the rejection on September 16, 1991 of the treaty on U.S. military bases offers an opportunity to initiate, in the national interest, a negotiation of a new treaty."

Tanada proposed that the treaty provide for, among others, mutual cooperation and agreements on cultural and economic relations, and U.S. assistance in the conversion of Clark Air Base and Subic Naval Base.

Sen. Blas Ople (LP), foreign relations committee chairman, said the government should lose no time in seeking a new relationship with the U.S. that is economically beneficial for the Philippines in view of the "frosting" of ties between the Philippines and the U.S. brought about by the rejection of the proposal bases treaty.

Senators Leticia Shahani (Lakas) and Rodolfo Biazon (LDP) [Struggle of Filipino Democrats] favored an agreement instead of a treaty with the U.S., however.

Shahani said an agreement is not "binding." She also said the country should evaluate its relations, not only with the U.S. but with other countries.

Tanada said that if the country can be assured of the equality of the terms, however, "why not make it binding?"

Sen. Ernesto Herrera (LDP) supported the resolution but objected to the abrogation of the Mutual Defense Treaty, citing the country's incapability to defend itself against external threats.

Tanada's reference to the acrimonious Senate debate over the proposed bases treaty last year offended Sen. Jose Lina (LDP), one of the 11 senators that voted for the retention of the bases, who said Tanada was "adding salt to injury."

"Let us not be subjected anymore to further humiliation (by) telling us (pro-base advocates) that we were on the other side of the fence," Lina said.

Anti-bases Sen. Orlando Mercado (LDP) said it was only fair that they celebrate a little in their victory because "we also lost some votes because of our stand."

Sen. Agapito Aquino, who also voted against the treaty (LDP) said: "*We are not trying to initiate them.* It is just that we do not want this historical moment to be forgotten."

Visiting Japanese Trade Minister on Recession

HK0409035092 Manila THE CHRONICLE in English
4 Sep 92 p 9

[By Lorelie de Belen]

[Text] Japan's top trade official is in the country to discuss with his Philippine counterparts measures both countries could take to overcome the effects of the recession Japan is currently experiencing.

Japan's Minister of International Trade and Investment (MITI) Kozo Watanabe is here on a two-day mission to discuss bilateral issues with President Fidel Ramos.

He is also expected to meet with Trade and Industry Secretary Rizalino Navarro, Finance Secretary Ramon del Rosario and Central Bank (CB) Governor Jose Cuisia Jr. and Senate President Neptali Gonzales.

Japan's continuing recession is seen to definitely hurt its volume of trade and investment in the Philippines, but Philippine Trade and Industry Undersecretary Tomas I. Alcantara said bilateral agreements between the two countries should recapture lost ground.

The top-level meeting between officials of the two governments is expected to cover new levels and extend economic cooperation the Japanese Government is extending to the country including trade, investment and official development assistance (ODA).

Watanabe will also get the country's position on the Asean Free Trade Agreement (Afta).

In an interview, Alcantara said that the economic recession in Japan has resulted in the slowdown of small and medium-scale investments in most developing countries.

The Philippine Government is still confident the flow will continue, however, though not in the same magnitude as before, he said, considering Japan's own small and medium-sized companies are facing a dilemma.

For instance, domestic demand in Japan is shrinking yet costs of production are increasing. Although this necessarily results in cost-cutting measures, Japanese companies are already looking at relocating abroad.

Alcantara said Watanabe will apprise the government on steps its Japanese counterparts are taking to solve its current economic problems.

More particularly, Watanabe will explain the Japanese Government's recently-unveiled economic measures centering on the 10.7 trillion yen (\$86.3 billion) earmarked to jump-start its economy.

The amount will be used for its public sector's additional expenses through investments, advanced procurement of lands for public works projects, tax credit for capital equipment and active use of government financial institutions.

Japan, Alcantara said, has to come up with competitive strategies and measures to address its economic difficulties. One of them is to relocate its companies to developing countries.

"But the Philippines has to be updated on this, because it is also affecting us," Alcantara said.

On Japanese assistance to the Philippines, he said it is particularly interested in helping the Philippines find a solution to its energy problems.

Japan is expected to extend financial assistance and supply arrangements for three power plants. They are: the 300-megawatt (MW) Bataan combined cycle plant, the 300-MW Calaca 2 coal thermal plant and the Pagbilao Quezon thermal project.

Also, Japan plans to increase the ceiling on export insurance given to Japanese suppliers in the exportation of Japanese capital equipment to developing countries like the Philippines.

The export insurance industry seeks to guarantee payments for Japanese capital equipment exports. At present, the Philippines is nearing the limit the Japanese Government set so much so that the financing of the Pagbilao project by the Japan Export-Import Bank has been delayed.

Japan To Finance Post-Pinatubo Reconstruction

*HK0409064892 Manila MANILA BULLETIN
in English 4 Sep 92 p 1*

[By Fil C. Sionil]

[Text] The Philippine Government yesterday signed a \$200-million commodity loan agreement with the Overseas Economic Cooperation Fund (OECF) of Japan to finance rehabilitation and reconstruction in areas devastated by Mt. Pinatubo.

The commodity loan, which represents a portion of the 18th yen loan package amounting to close to \$1 billion, has a low

interest of 3.0 percent annually and a repayment period of 25 years including a seven-year grace period.

Finance Secretary Ramon del Rosario, Jr., who signed on behalf on the Philippine Government, said that the facility from the Japanese Government was a welcome relief in the wake of the continuing damage and threat posed by lahar in the provinces surrounding the Pinatubo area.

"It (to the community loan) comes at a right time when the government is raising additional financing to pursue the rehabilitation and reconstruction of the Mt. Pinatubo-affected areas," he said.

Also, Del Rosario described the commodity loan as a "reaffirmation" of Japan's commitment to help the country revive the economy through the provision of the official development assistance loans and grants.

The facility is the first loan agreement signed by the government under the administration of President Fidel V. Ramos with Japan and any other bilateral and multinational funding agency.

According to the finance department, the \$200-million commodity loan would be disbursed to the country within 30 days following the signing of the loan agreement.

Japan is the country's largest bilateral creditor.

On the remaining components of the 18th yen loan package, Del Rosario reiterated the Philippine Government's request for Japan's full commitment of the facility.

"Your speedy action in this regard will surely provide a sound base for the newly-installed administration of Pres. Ramos to pursue economic reforms with confidence of assured financing," he pointed out.

He emphasized that part of the 18th yen loan package would finance the power projects, which would address the chronic energy problem besetting the country and affecting the business activities.

"Japan's early financing commitment for power projects under the 18th yen credit package will help us achieve an early solution to the problem," he said.

Ramos Approves 6-Year Agrarian Reform Program

*HK0209032092 Manila BUSINESS WORLD
in English 2 Sep 92 p 16*

[By Maricar S. Bautista]

[Text] President Ramos yesterday approved a six-year agrarian reform program which aims to distribute 3.5 million hectares of land at a cost of P150.3 billion [Philippine pesos].

The program, which will take effect from 1992 to 1998, compels the Department of Agrarian Reform (DAR) to distribute 2.52 million hectares of private agricultural and government-owned lands.

The Department of Environment and Natural Resources (DENR), meanwhile, will distribute 992,370 hectares of public alienable and disposable lands and Integrated Social Forestry (ISF) areas.

"The cost of implementing the CARP (Comprehensive Agrarian Reform Program) within the planned period is initially estimated at P150.3 billion," DAR secretary Ernesto Garilao said.

Of the said amount, 86

will go to land acquisition and distribution while the rest will fund the support services.

Mr. Garilao, in a report to the president, said the DAR and the DENR, for the period July 1987-June 1992, distributed a total area of 2.05 million hectares to more than 1 million farmer-beneficiaries (FBs).

"Beyond these physical accomplishments also lie a far more important consideration, i.e. the assistance provided to FBs to become entrepreneurs and self-reliant through the promotion of livelihood projects and provision of credit, infrastructure support and training," the DAR secretary said.

Mr. Garilao also reported that as of June this year, the remittances to the Bureau of Treasury which accrued to the Agrarian Reform Fund totalled P25.56 billion, consisting mostly of Asset Privatization Trust (APT) and Presidential Commission for Good Government (PCGG) contributions.

Of the amount, P18.5 billion has been used by the different participating agencies in the CARP, he said. The fund now has an outstanding balance of P3.78 billion.

Mr. Garilao said they have instituted changes in the medium-term agrarian reform program of the Ramos administration "to remedy the pitfalls and problems of the past."

In the first five years of the CARP's implementation, only 62

of areas targetted for distribution were given to FBs. "It is worth noting that the DAR's distribution accomplishment has been increasing in the past four years and a half, however," a report by the Presidential Agrarian Reform Council noted.

The basic policy thrusts of the administration on agrarian reform are:

- faster implementation of land tenure improvement programs through the identification, review and resolution of bottlenecks;
- fair, expeditious and inexpensive settlement of agrarian disputes through the streamlining of the mediation and adjudication processes and strengthening of barangay agrarian reform councils, recruiting

and deploying more lawyers and para-legal officers and continuously upgrading their legal knowledge and know-how;

- implementing an integrated approach to countryside development through the aggressive delivery of support services and institution of macro-economic reforms;
- improved inter-agency coordination through greater liaisons and relations between and among the Cabinet, Congress, Judiciary and local government units;
- people empowerment and participation through focused partnerships with nongovernment organizations and people's organizations in social infrastructure building;
- fairer land valuation and prompt payment of just compensation through improvement of land valuation guidelines and mechanisms to ensure immediate payment of landowners;
- expanded foreign donor partnerships and efficient resource mobilization to finance certain components of CARP; and
- an energized bureaucracy through raising the level of knowledge, skills and attitudes of personnel involved in the program.

House Defense Committee Approves Amnesty Bill

HK0109054192 Manila BUSINESS WORLD
in English 1 Sep 92 p 12

[By Benjamin R. Cruz]

[Text] In an unprecedented pace, the House committee on defense yesterday approved, in its very first meeting, a bill seeking to legalize the Communist Party of the Philippines and granting amnesty to rebels—mere minutes after the committee formally organized itself.

Rep. Eduardo Ermita, committee vice-chairman, said Speaker Jose de Venecia asked him to pass the measures before Friday when Congress starts its recess.

President Ramos was said to have instructed Mr. de Venecia to approve all the bills certified by Malacanang by Thursday night.

But Mr. Ermita, refusing to admit the presidential interference, said these bills have to be approved soon, anyway.

The first measure approved by the Ermita committee is House Resolution No. 12 granting amnesty to all rebels. Some 140 House members signed the concurrent resolution granting amnesty to more than 4,500 rebels who have applied for amnesty, and eventually to the rest of the 26,000 other rebels of all sorts of persuasion.

All the applicants of the amnesty program under Executive Order No. 350 shall be granted amnesty. Then, depending on the recommendation of the soon-to-be created National Unification Commission, all other rebels—the RAM [Reform the Armed Forces Movement], Moro National Liberation Front, and the New People's Army, among others—shall be given amnesty.

The House resolution is practically an adoption of Proclamation No. 10 submitted by President Ramos to Congress.

The constitution requires that the president shall have the power to grant amnesty with the concurrence of a majority of all the members of Congress.

According to the proclamation, 4,453 individuals "desirous of resuming their lawful pursuits or occupations as loyal and law abiding citizens," shall be given the amnesty.

Crimes covered include treason, conspiracy, espionage, sedition, illegal assemblies, illegal associations, direct assaults, subversion and illegal possession of firearms.

Others who want to apply for amnesty have until December this year.

"It is the sense of both Houses of Congress that an amnesty partaking of the nature proclaimed by Pres. Ramos is necessary for the general interests of the Philippines," the resolution said.

The other approval measure, House Bill No. 318, seeks to repeal the Anti-Subversion Law, which, in effect, allows all rebels to join the mainstream.

Rebels To Continue Fight Despite Amnesty Offer

*HK0409102192 Manila DIYARYO FILIPINO
in Tagalog 4 Sep 92 p 1*

[By Jess Malabanan and Rowena Salvacion]

[Text] Communist rebels will continue to fight government forces despite the amnesty offer of President Fidel Ramos.

In a news conference attended by selected journalists, National Democratic Front representative Felipe Marcial said the New People's Army will continue to fight as long as the military does not stop its offensives.

He said a cease-fire does not guarantee lasting peace.

Marcial said communist rebels will only show cowardice and infidelity to their cause if they lay down their arms and stop their own offensive.

He suggested that the Ramos government concentrate on freeing the 600 other political detainees. He added that the government should look into the roots of the 23-year-old rebellion.

Justice Secretary Franklin Drilon had earlier said the government plans to release 53 political detainees in line with the peace negotiations.

Released NPA Chief Supports Peace Talks

*HK0409033692 Manila PHILIPPINE DAILY
INQUIRER in English 4 Sep 92 p 1*

[By Dario Agnote]

[Text] The alleged chief of the New People's Army [NPA] yesterday announced, immediately after being released from detention, the NPA's support for the peace negotiations being worked out between the government and communist rebels.

"I am happy, but I would be a lot happier if all political detainees were also released without any preconditions," said Romulo Kintanar as he walked out of his detention cell at Fort Bonifacio.

Kintanar, 39, said communist rebels would still continue to wage an armed struggle as the primary means in attaining their goals until the Ramos administration institutes the necessary reforms they had been fighting for in the past 23 years.

Kintanar stepped out of his tightly guarded detention cell at 6:45 p.m. and became the second communist leader released in three days in President Ramos' efforts to end Southeast Asia's longest-running communist insurgency.

Last Tuesday [1 September], another communist leader, former journalist Satur Ocampo, was released. Kintanar was to have been released with Ocampo, but the processing of his papers was delayed.

Kintanar was fetched by his common-law wife, Gloria Jopson, who, along with his lawyer, delivered the court order to release him to the stockade warden.

The alleged NPA chieftain was released one day after the government and exiled rebel leaders agreed to hold formal negotiations to end the insurgency.

Kintanar said all communist organizations under the umbrella of the National Democratic Front supported the peace negotiations agreed upon during the exploratory talks held in the Netherlands.

He urged the president to also release rebel soldiers jailed for six attempts to overthrow the government since 1986.

Asked whether the NPA rebels would still continue the armed struggle in the countryside, Kintanar said the insurgents would continue to wage an armed struggle as their primary means of achieving their ends until major reforms have been instituted.

Kintanar also called on the president to take bolder steps and show his sincerity in attaining just and lasting peace by releasing more political detainees, especially those detained in Muntinlupa.

He mentioned detained peasant leader Jaime Tadeo, who is serving time for estafa [swindling].

On the peace efforts of the government, Kintanar said he was optimistic about the ongoing peace talks. He said the success of the talks depended on what the government can offer to establish confidence between the warring parties.

Kintanar said his temporary release was not a result of the government's amnesty offer but was based on the merits of his case in court.

Kintanar, who was charged with illegal possession of firearms in furtherance of rebellion, posted a P[Philippine pesos]200,000 bail last March. But the military opposed the court order to release him and obtained a restraining order from the Court of Appeals.

Kintanar had been arrested by the military at least thrice. The last time was when police operatives nabbed him and his wife, Gloria, at the Makati Medical Center on Aug. 5, 1991. He was first arrested before martial law in Isabela but was released two years later. The two were also arrested in 1989 but escaped the same year during a birthday party of the stockade commander in Camp Crame. He spent a total of three years behind bars.

Asked what he planned to do, Kintanar said he would continue to attend the court hearings at the Pasig Regional Trial Court under Judge Apolonio Chavez.

"I will look after my family," he said.

Government Drops Condition for Rebels To Disarm

HK0309030592 Manila THE CHRONICLE in English
3 Sep 92 pp 1, 8

[By Frank Longid and Danilo Lucas]

[Text] The government yesterday dropped its condition for rebels to lay down their arms before coming to talk peace, thereby resolving the main point of contention that had prevented efforts at conciliation.

The talks are hoped to end more than two decades of communist insurgency, with the government granting the insurgents amnesty and allowing them to participate in democratic politics in exchange for their renunciation of armed subversion.

Amnesty for all rebels—leftist, rightist and secessionist—is among President Ramos' urgent centerpiece programs, and as a gesture of sincerity, he has proposed to Congress the repeal of the anti-subversion law and has ordered temporary freedom for rebel captives.

Congress has expressed unanimous support for the idea. In fact, one of its members, Jose Yap, a ruling-coalition representative from Tarlac province, a traditional insurgent stronghold, has gone to The Hague to sound out some Filipino rebel leaders in exile there.

Yesterday, Babette Ressureccion Sayo of the Chronicle reported that the rebels had agreed to sit in exploratory talks provided they were held in Switzerland or some other neutral site.

But Justice Secretary Franklin Drilon promptly replied that the government would prefer the talks held in Manila.

It is probable, in any case, that talks would proceed in Manila with the Philippine-based leaders of the communist movement, sources on both sides say.

Furthermore, Luis Jalandoni, a negotiator for the National Democratic Front [NDF] told a Manila television station from the NDF headquarters in Utrecht that repeal of the anti-subversion law "will improve the conditions in the country and improve the conditions for the peace negotiations."

In a radio interview, Defense Secretary Renato de Villa said the government is no longer requiring rebels to surrender their firearms as a precondition to negotiations, saying the "issue is a hindrance to talks."

He said that this is still subject to the recommendation of the National Unification Commission (NUC), however, whose creation was approved by President Ramos yesterday through an executive order.

"Insofar as we are concerned, we will defer totally to the NUC. Whatever the NUC recommends and the president approves, this will be carried out by the Department of Defense and the Armed Forces of the Philippines."

De Villa, who will sit down in the NUC as Malacanang representative along with Justice Secretary Franklin Drilon, also softened on his earlier resistance to a unilateral cease-fire, saying every available avenue to negotiations should be exploited by the government.

He also said that the Yap delegation is not empowered to commit the government to any agreement.

"My understanding of the mission of Congressman Yap is, his job there is purely exploratory, and I believe he has no authority to commit the government in any way....

"Whatever report Congressman Yap will bring back to the president, such a report will end up before the NUC to deliberate upon... sa NUC ito bibigyan ng final decision [the final decision lies with the NUC], action and recommendatory position to the president" de Villa said. [sentence as published]

De Villa cautioned against the NUC's acceding to demands by leaders of the communist insurgency to "work outside the constitutional framework" during formal negotiations, however.

"We are dealing with not only one group, but several groups. If we accept unconstitutional processes or decisions... we have to be consistent and what happens to our constitutional mandate if we do it that way?" he said.

Drilon, for his part, rejected the NDF demand that the talks be held in a foreign venue and that an independent foreign body, such as the United Nations or the European Parliament, act as an intermediary.

"This government rejects any third-party government or foreign agency to intervene in the peace talks," Drilon said.

Drilon also stressed that whatever decisions forged between NDF and Philippine Government panels during their exploratory talks would be subject to approval by the NUC.

"Only the NUC can make recommendations to President Ramos regarding viable amnesty programs. We wish to emphasize that the points contained in a joint declaration by two principals are only recommendations," he told reporters.

He added that the joint declaration would be tackled and finalized by the NUC when it starts operations two weeks from now.

Drilon also said only 53 leftist and rightist rebels detained in Muntinlupa have so far applied for the amnesty program.

He also denied the claims by NDF leader Luis Jalandoni that there are about 600 political prisoners in the country.

It could have been possible, Drilon said, that the figures cited by Jalandoni include those people convicted or charged with common crimes.

Meanwhile, newly released rebel leader Satur Ocampo called on President Ramos to shelve his planned amnesty for communist rebels, denouncing it as a ruse to delude them into surrendering.

At a press conference at the headquarters of the Task Force Detainees, Ocampo said the amnesty program should be included in a "package of agreements" to end the 23-year-old insurgency.

"The issue of amnesty should not be pressed at this time so it will not become a stumbling block to the pursuance of the peace process," said Ocampo, who headed rebel negotiators in failed peace talks with the government in 1986.

The House of Representatives also endorsed Mr. Ramos' offer of amnesty to rebels.

Thailand

Foreign Minister Hopes for NAM Membership

BK0409031492 Bangkok Radio Thailand Network in English 0000 GMT 4 Sep 92

[Text] Thailand's participation in the ongoing summit meeting of the Nonaligned Movement, NAM, in Jakarta is meant to enhance the country's role in international politics. Thailand also hopes to join the movement as a full member in the future, Minister of Foreign Affairs Asa Sarasin remarked prior to his departure to Jakarta yesterday. The NAM's principle resembles that of the United Nations, namely noninterference in other country's affairs and peaceful coexistence. Thailand does apply for the status of an observer of the meeting.

Minister Asa is scheduled to deliver a speech at the meeting today. He said that he would extol [as heard] the country's roles in international arena and the future roles of NAM. The meeting will also discuss the latest situation in Cambodia.

Next Government Could Review U.S. Amity Treaty

BK0309041592 Bangkok BANGKOK POST in English 3 Sep 92 p 19

[Text] The Foreign Ministry is to review the 1966 Thai-US Treaty of Amity and Economic Relations, but this would probably not be done within the term of the present government, Foreign Minister Asa Sarasin said yesterday.

Mr Asa said he agreed with the Commerce Ministry that the treaty needed to be re-examined because it appeared not to have brought any benefit to Thailand recently.

But he added that the revision need not only mean scrapping the provisions of the treaty. New measures could be introduced, he said, because Thailand has to consider that the US is still the main market taking 22-23% of Thailand's exports. "The revisions are not being considered because of any dispute between the two countries, but because retaining the treaty in its present form will cause economic conflict with other countries," he said.

The Commerce Ministry's suggestion that the Thai-US treaty be revised or scrapped was a response to recent pressure from the European Community, Japan, and last week, Australia to be granted equal treatment.

The Amity Treaty exempts American citizens and companies from many restrictions normally imposed against foreigners under the Aliens Business law, particularly those reserving professional and service occupations for Thais.

Requests for equal treatment from the other developed countries have been made in the context of the services liberalisation negotiations of the Uruguay Round of world trade talks. Participants in the talks are working on a draft General Agreement on Trade in Services (GATS) that would include a non-discrimination clause.

Mr Asa said his ministry will consider the matter jointly with other ministries concerned. If it is too late for this government to review the treaty, the task could be handed over to the next government, he said.

Mr Asa said he thought Thailand would not sign a similar treaty with any other country.

US officials have suggested Thailand could get round the non-discrimination clause of GATS either by liberalising services sectors—effectively extending the treaty's provision to all other countries—or by seeking a special exemption for the treaty under GATS.

Australian officials said this week that their government strongly objected to the idea of allowing discrimination under GATS.

Agency Proposed To Handle Protectionism Talks

*BK0409034592 Bangkok BANGKOK POST in English
4 Sep 92 p 22*

[Text] The Commerce Ministry will propose to Cabinet the establishment of a government agency to handle negotiations with foreign countries over trade protectionism.

Deputy Commerce Minister M.R. Pridiyathon Thewakun said the establishment of a government agency was discussed earlier at a meeting of the Commerce, Industry, Transport and Communications, Finance, Agriculture, Public Health and Foreign Affairs ministries.

M.R. Pridiyathon said all ministries agreed to the establishment of a body to negotiate with other countries in cases where Thailand faced trade barrier problems such as antidumping laws and countervailing duties.

The meeting would propose three possible formats for the body from which the Cabinet could choose.

The agency could be free of politicians, taken care of by politicians and permanent government officials or be run solely by government officials, he said.

The agency would not resemble the US Trade Representative, because Thailand was a small country so a large organisation was not necessary.

But the meeting decided it was important for Thailand to have a government agency which was consistently in charge of the job, he said.

It was also necessary to have the agency because of expected increases in trade competition and new trade protection measures in countries such as the United States, the EC and smaller countries such as Korea.

"If we just stay put without doing anything, then we will be bullied," he said.

Meanwhile, M.R. Pridiyathon said Burma had opened three border points to trade with Thailand after having ordered them closed recently due to fighting on the border.

The three points were at Ranong, Mae Sai and Mae Sot, he said.

Burma was keeping the Three Pagoda Pass point in Kanchanaburi province closed, he said.

The closure of the points had caused problems for Thai traders and merchants.

Army Chief on Upcoming Military Reshuffle List

*BK0409014392 Bangkok BANGKOK POST in English
4 Sep 92 p 1*

[Text] Army chief Gen Wimon Wongwanit said yesterday he hoped that the annual military reshuffle list will be announced as soon as possible to end widespread speculation on upcoming changes in the armed forces.

Talking to reporters after receiving Chinese Ambassador to Thailand Li Shichun yesterday, Gen Wimon said he had drawn up the reshuffle list according to established procedures but he couldn't understand why it had taken so long to announce it.

"The longer it takes to announce the list the greater will be the speculation," Gen Wimon said.

He said once the list was out he would be free to answer questions and dismissed reports that there was tough bargaining in drawing up the final list.

"Don't believe in rumours. There was no bargaining," Gen Wimon said.

Asked to comment on the reshuffle list at the Defence Ministry that was leaked to the Press, Gen Wimon said that would provide some "homework" for the new Permanent Secretary for Defence.

Meanwhile, Deputy Supreme Commander Gen Phichit Kunlawanit refused to comment on the reshuffle, saying "why give importance to the transfer when you want soldiers to return to the barracks".

He said he did not know of any leaks.

Gen Wimon said Ambassador Li paid him a courtesy call and invited him to visit China.

Gen Wimon said he told the ambassador that he was too tied up at the moment to travel but would be glad to accept the offer in the future when he has time.

The Army chief said they did not discuss any purchase of arms from China and their talks focused mainly on the good relations between the two countries.

Asked if they discussed the issue of disarming the Khmer Rouge since the Thai Government is understood to want the Khmer faction to be nudged into compliance with the Paris peace agreement, Gen Wimon said that they did not discuss the Khmer Rouge issue in particular but talked about the Cambodian situation in general.

We both agreed to see peace established in Cambodia quickly," Gen Wimon said, adding, "the Khmer Rouge shouldn't be a problem but I don't know the details and you had better ask the Foreign Ministry about that."

Asked whether the Thai military is backing the Khmer Rouge Gen Wimon replied "Not at all. There is no such thing."

There have been charges that the Army supported the Khmer Rouge because of the vast spin-off from border trade.

Asked for comment Gen Wimon said trade was not a domain of the military. Thailand traded with all Khmer factions because the Government had adopted the policy of turning the battlefields of Indochina into a trade zone.

The military's role is only to facilitate the process by preventing the smuggling of war weapons and contraband, Gen Wimon insisted.

Asked about the current fighting inside Burma, Gen Wimon said he has ordered military officers in border areas to protect Thai territory and citizens and provide humanitarian aid to Burmese refugees fleeing the fighting into Thailand.

"It's an annual problem and we can only do as much as we can," Gen Wimon said.

Asked if he will vote in the September 13 general election, Gen Wimon, who lives in Bangkhae, Phasi-charoen district, said he will certainly do so but refused to reveal whom he will vote for.

Vietnam

Vo Van Kiet Gives National Day Address

Part I

BK0209152792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Sep 92

[“Part one” of speech by Council of Ministers Chairman Vo Van Kiet at 1 September Hanoi meeting marking the 47th anniversary of the August Revolution and 2 September National Day—recorded]

[Text] The August Revolution opened up the greatest turning point in the modern history of our country. It was the uprising of an entire people, from north to south, from mountainous regions to the lowlands, and from rural to urban areas after nearly a century of brutal colonial and feudal oppression to regain national independence and the right to life and freedom and the pursuit of happiness.

The August Revolution and the birth of the Democratic Republic of Vietnam opened a new era of very heroic struggle marked by highly glorious victories in the Vietnamese nation's millennial history.

Of the 47 years under the party leadership, our people constantly struggled for 30 years. We conducted two unavoidable resistance wars under initial unfavorable conditions to regain independence and freedom. With the use of every rudimentary weapon available, such as flintlocks, matchlocks, and sharpened sticks, we scored the famous Dien Bien Phu victory, liberating half of the country. From the flame of the spontaneous uprising where spears and sticks were our initial weapons, our national revolution proceeded to the historic Ho Chi Minh campaign, liberating the south and reunifying the country.

The victories of the two wars of resistance for national salvation clearly reflected the perseverance and unshakable determination of our people, a race that has persistently fought from one generation to another for national independence and for the people's prosperity, freedom, and happiness.

The party's correct lines multiplied the strength of the entire nation and mobilized the people, millions as one, to struggle and make sacrifices, thus creating an identity for Vietnam. Our people accepted the price they had to pay during the two resistance wars in exchange for priceless gains—independence and the freedom of the nation, the right to choose the path to progress, and human conscience, dignity, and honor.

The glorious victories of the August Revolution and the two wars of resistance of our people for independence and freedom were significant contributions to accelerating the national liberation movement in various colonial countries and the common struggle of the world's people for peace, national independence, democracy, and social progress.

The 1975 victory pushed our country into a new era—an era in which the country has regained its total independence and unification and is advancing toward socialism.

Our entire party, people, and army should concentrate their energy and intelligence on healing the wounds of war, building a new life, and implementing the two strategic tasks of building and defending the fatherland.

The renovation initiated by our party since the sixth party congress and upheld by it at the seventh party congress is characteristic of a revolution in the modern time. It is a creative deed of our party, state, and people.

It is precisely thanks to our party's knowledge of how to base itself on the realities of our country and look squarely at our mistakes and shortcomings that it has discovered a line of renovation for the country; correctly chosen appropriate objectives and steps; and therefore helped Vietnam avoid plagiarism and copycatting.

Not only does the renovation undertaking meet the pressing demands of our country's situation and our people's ardent desire, but it is also compatible with the growing trend of our times, favored by the people nationwide, and sympathized with and supported by friends worldwide.

The past years and months when our country was carrying out the renovation saw extremely complex changes in the world situation—the socialist world was under serious crisis. Domestically, besides advantages, there were countless difficulties which were at times seemingly insurmountable. But with the extraordinary efforts of the entire party, people, and army, the renovation undertaking has gained initial, very important successes. We have been able to maintain political stability,

effect positive changes economically, develop democracy in society, guarantee national defense and security, and broaden foreign relations.

Over the past two years, we have experienced many great difficulties. Most seriously of all, foreign aid and the established trade ties with the outside world have been discontinued unexpectedly. Furthermore, major natural disasters occurred in 1991. Many localities experienced heavy crop failures. Yet, it is very encouraging to note that instead of experiencing major upheavals, our national economy has overcome many challenges and effected changes for the better.

Agricultural production is on the rise. As for grain production alone, for many consecutive years we have produced enough grain to meet local demands while at the same time increasing the volume of grain reserves and securing a fairly substantial amount of rice for export.

Initial steps have been taken to reorganize industrial production. Many establishments have gradually adapted themselves to the new mechanism. A number of building projects initiated in the past years have been completed and begun to yield results and stabilize their operations step by step. The production of many kinds of consumer goods is in high gear. The pace of price fluctuations has been substantially reduced compared to last year. It is highly probable that we will be able to curb inflation.

Since the beginning of this year, the export index has continued to increase quickly. As a result, the gap between export and import operations has been filled, thus guaranteeing conditions for meeting the normal demands for imported goods and materials.

Regarding direct foreign investment, many new projects of important significance have been signed. More friends have come to our country from every part of the world and shown more confidence in our country's development and renovation cause.

It can be said that thanks to the new mechanism, the capabilities of the various sectors of the national economy have been developed; cooperative ties with the outside world have been broadened; product diversification has made its presence felt more profoundly than before; the national socioeconomic situation has been markedly improved; and cultural, educational, and public healthcare services have recorded fine results.

Along with making sustained efforts to improve the quality of economic, cultural, and social activities, we have renovated and consolidated the political system. Two prominent events have taken place—namely, promulgation of the new Constitution and organization of the election of deputies to the Ninth National Assembly. The 1992 SRV Constitution clearly reflects our people's aspirations, defines the objectives of the socialist path, systematizes the renovation line based on the contents of

our country's basic law, and lays the groundwork and sets the orientations for national development in the new stage.

The election of deputies to the Ninth National Assembly has taken place in a festive mood at the all-people festival and in a democratic atmosphere, as stipulated by law. The election results are an indicator of the people's attachment to and confidence in our party and state.

The above-mentioned major events mark a new step in development of the cause of building and consolidating the state mechanism. The achievements we have recorded in many fields in the renovation process over the past several years testify to the correct line of the party and the revolutionary cause of the Vietnamese nation, which is advancing steadily in accordance with Vietnam's specific conditions and traditions. The results brought about by the revolution have markedly made their presence felt in the daily activities of each locality, family, and individual person. The realities in every part of the country show that we are capable of standing firm and surging forward to turn the socialist Vietnamese fatherland into a prosperous, beautiful, powerful, and civilized country.

The great success of the August Revolution, the development of our nation over the past 47 years, and the achievements of the ongoing cause of renovation have testified to the complete correctness of the path chosen by our party, venerated and beloved Uncle Ho, and our people. This historically important choice is consistent with the law of societal evolution and the development trends of the times.

In the past, our people suffered from our loss of sovereignty, and we fought with perseverance for national liberation. Today, all patriotic Vietnamese are tormented by the nation's poverty, low economic development, and poor living conditions. Let's make continued efforts to get rid of poverty and backwardness, as well as to become rich for ourselves and our country.

The seventh party congress has set forth the objectives for our people to fulfill in the years to come as follows: It is necessary to firmly maintain peace, lead the country out of a socioeconomic crisis, firmly safeguard and consolidate political stability, make the people rich and the nation powerful, and effectively protect the fatherland's independence.

We struggle for the above-mentioned objectives at a time when the revolution in our country is facing new advantages and new challenges. Our biggest challenge is that we start from a low level of economic development at a time when the economic race in the world has become very turbulent. The cause of national construction and defense must cope with the hostile forces' attempts to undermine our stability and hinder the advance of our country.

We, on the other hand, also have many strengths and advantages that are creating great opportunities for

development. Our country is an independent and unified state. Our people are united and have a long tradition of staunch and indomitable struggle for national construction and defense. The Vietnamese people are noted for their diligence, intelligence, creativity, and humanism.

We have many advantages in manpower, natural resources, intelligence, geographic position, and market potential. Building on the present sweeping scientific and technological revolution and rapidly expanding international communications, and also the position of our country, which lies in a most dynamic economic zone of the world, we can proceed from the actual situation in our country to continue to acquire and creatively apply foreign expertise in order to move the country forward.

Opportunities for development do not come by themselves nor do they exist at any time or last forever. The experience of the past revolutionary struggle, including the August [1945] General Uprising, taught us a valuable lesson about how to firmly grasp opportunities to create a new turning point for development. The victory of the revolutionary undertaking lies in the strength of the entire people and army under the party leadership and is decided by the intelligence and potential of our country. Our people's spirit of self-reliance, the combination between national strength and contemporary strength, and those lessons of experience obtained in coping with numerous ordeals in history have given us a new confidence and strength with which to seize opportunities and surmount all obstacles and difficulties on our course of advance.

The socioeconomic situation is opening bright prospects for the comprehensive overfulfillment of the 1992 state plan. That is a very important basis and a very favorable condition for implementation of the 1993 state plan, and the fulfillment and even overfulfillment of those objectives for the period between now and 1995 laid down by the seventh party congress.

In the period ahead, we should concentrate on implementing those essential measures aimed at continuing to contain and dispel inflation, further exploit the potentials of all social components for the cause of economic, cultural, and social development, actively mobilize all sources of capital, practice thrift to make investments for development, broaden foreign economic relations, promptly increase export value, carry out antismuggling activities, protect home-made goods, and establish public order and discipline within the state administration and in socioeconomic management.

Just as it was in the past struggle, the socioeconomic development task requires us to mobilize the strength of the entire nation and all the potential of various economic components. To achieve this aim, we should satisfactorily carry out the policy advocating vesting peasants and peasant families with the right to long-term use of land, offering loans to peasants, protecting and

assisting agricultural production, and gradually rectifying various joint state collective production establishments. The state and collectives should broaden those services catering to production and the people's welfare.

The state-run economic sector should surge forward to consolidate and strengthen its leading role. It is necessary to gradually introduce shareholding into various state-run trade businesses under various forms such as shareholding companies and limited partnership companies. We should develop private businesses and family economies under various copious forms in order to revitalize the economy.

On the basis of developing production, we should gradually solve those pressing demands of welfare policy, especially employment and wages, health care, culture, and education; establish order and discipline in managing the state and socioeconomic activities in accordance with the law; and do away with the bad practice of corruption and waste, severely punishing those negative acts now destroying public property and the confidence of the public.

Part II

*BK0309140392 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 1 Sep 92*

[“Last part” of speech by Council of Ministers Chairman Vo Van Kiet at 1 Sep Hanoi meeting marking the 47th anniversary of the August Revolution and 2 September National Day—recorded]

[Text] In view of the new situation, our entire party, people, and army should closely link our economic development task with our national defense and security task. We should firmly build the all-people national defense and the people's security system, and improve the armed forces qualitatively so they can perform satisfactorily their task of defending the independence, sovereignty, and territorial integrity—overland territories, the airspace, the sea areas, and other offshore islands—of the fatherland.

As the renovation undertaking is developing comprehensively and harmoniously and is entering its in-depth dimension, it requires various echelons to improve the role and efficiency of the state management. Renovating the state apparatus is a major move in the overall renovation of the political apparatus, having the aim of improving the exercise of socialist democracy and ensuring employment for the people. We should categorically do away with bureaucratism and should strive to build a Vietnamese state governed by law, improve the state's efficiency, and shift the state vigorously to ruling the country by law.

Based on the 1992 Constitution and the law governing the organization of the National Assembly, we should gradually renovate the organization and activities of

various legislative, executive, and judicial organs, harmoniously step up law-building, strengthen law enforcement forces, and improve the people's knowledge about laws and their observation of laws. State organs should exemplarily comply with the law and should ensure that the entire society lives and works according to the law and that no organizations or individuals are allowed to stand above or outside the law.

It is necessary to restructure and strengthen state organs in the direction of making them compact, uniform, and effective. We should intensify our inspection and control activities in order to purify our apparatus and improve the responsibility of cadres and state employees and their public service attitude. All these are very important tasks needed to ensure that the state apparatus is attached to the people and that it involves itself deeper in solving those realistic problems now facing the people's lives.

Party building is a task that receives constant attention from our party, especially during various turning points of the revolution. In the current situation, the renovation and rectification of the party are of specific and decisive importance for the destiny of the country as well as for the survival of the party.

In the recent renovation process, our party has further matured and has acquired more knowledge and experiences, especially in providing leadership for the economy and the state. This is very clear. Faced with requirements arising from the situation, our party should urgently renovate itself and carry out self-criticisms if it wants to have more capabilities and new qualities in its leadership and to bring itself up to the level required of it by its tasks. It should be pointed out here that the party should bring itself up to the level required of it by its tasks not only for its revolutionary determination but also for its political acumen, its intelligence, and its abilities in work implementation. In particular, the contingent of party members should be clean. They should develop their exemplary role in the renovation undertaking.

It is requested by the party Central Committee that all party organizations and party members satisfactorily undertake the renovation undertaking and rectify the party. I would appreciate it very much if various strata of our people—who are known for their confidence in the party leadership—would enthusiastically contribute their constructive ideas to making the current renovation and rectification of the party a success.

In view of the current situation, the tasks of broadening and improving the effectiveness of foreign relations are of very great importance at a time when relations between our country and other countries and international organizations, especially neighboring and regional countries, are being broadened in various domains.

We should continue our foreign relations activities in the direction of satisfactorily consolidating peace and broadening friendly and cooperative relations with all countries, especially those countries in the region, and creating favorable international conditions for stepping up the renovation undertaking and for national construction and defense. This also amounts to making active contributions to common struggle for peace, national independence, democracy, and social progress by the people of the world.

It is our party and state's policy to diversify and multilateralize our foreign relations on the basis of respect for each other's independence, sovereignty, and territorial integrity, noninterference in each other's internal affairs, equality, and mutual benefit. Now, as always, we advocate that those issues still under dispute should be settled through peaceful negotiations between two parties or many parties. What is of principled character in foreign relations is that bilateral agreements should not be allowed to jeopardize the interests of other parties.

We should actively broaden our foreign economic relations in order to win more foreign markets, capital, technologies, managerial expertise. We should exploit to the fullest our potential and our existing advantages and, at the same time, we should devise measures to preserve and develop the fine traditions and identity of our folk culture, maintain security, protect natural resources and environment, and prevent and minimize those negative phenomena that may arise.

Vietnam wants to befriend all countries in the world community and will struggle for peace, independence, and development. This is our proclamation before the entire world. Through concrete actions, we are struggling and will struggle to substantiate this proclamation.

At this significant ceremony, recalling those glorious victories scored by our people over the past 47 years and those encouraging successes of the on-going renovation undertaking, each one of us feels all the more proud of the glorious Communist Party of Vietnam, of our time-tested state, and of our people's staunch, heroic, and creative traditions.

As the Vietnamese people have done away with the humiliation of being country losers, they will certainly be able to prevail over poverty and backwardness.

Developing the revolutionary willpower and the aggressive spirit of the August Revolution and the 2 September National Day, our entire party, people, and army and all the compatriots at home and abroad should maintain their unity and unanimity and should resolve to overcome all difficulties and obstacles in the advance toward scoring ever-greater successes in order to bring the renovation undertaking to success for the sake of the people's happiness and the fatherland's bright future.

At this solemn get-together, I would like to say that the party and the state are very pleased with those successes contributed by the party organization and people of

Hanoi to the common development of the country. I hope that the party organization and people of Hanoi will continue to struggle to carry out the renovation undertaking successfully and to make Hanoi worthy of being the capital of the entire country.

Russian Commerical Attache Queried on Trade Ties

*BK0309072392 Hanoi VNA in English 0637 GMT
3 Sep 92*

[Text] Hanoi VNA Sept.3—Russian Vice Premier V.A. Makharadze has paid a working visit to Vietnam to discuss continued economic cooperation between the two countries. On this occasion, the weekly LAO DONG (Labour) interviewed Frolov A. Ivanovich, commercial attache of the Russian embassy in Hanoi.

On the value of goods exchanged between Vietnam and Russia in the first half of this year, Mr.Ivanovich said: Russia exported to Vietnam 58.8 million US dollars worth of goods including 7.8 million US dollars of equipment for the 5th and 6th generators of the Hoa Binh Hydro-Electric Power Plant, 1.5 million US dollars of equipment for 110 and 220kv electric transmission lines, 21.5 million US dollars of equipment for Vietsovetropetro and 28 million US dollars of steel, fertilizers and machinery.

For its part, Vietnam exported garments worth 2.5 million US dollars and consumer goods worth 8.3 million US dollars to Russia. Under agreements reached between the two governments, in 1992 the value of goods exchanged will be 800 million US dollars.

Payment will be made by letters of credit as both countries run short of hard currencies. Of the 30 existing joint ventures Vietsovetropetro is most effective. It tapped 3.9 million tons of crude oil in 1991 and 2.6 million tons in the first half of 1992 or 75 percent more than the corresponding period last year. Other joint ventures deal with such lines as sea foods, gold mining, rubber planting and processing, garments, essential oil, shampoo, moulds for car tyres, and spectacles, with a total investment capital of 50 million US dollars.

He said the Far East and Siberia would welcome the setting up there of Vietnamese enterprises producing garments, foods and traditional medicines.

Talks Planned With China on Border Dispute

*BK0409093592 Hong Kong AFP in English 0925 GMT
4 Sep 92*

[Text] HANOI, Sept 4 (AFP)—Chinese Vice Foreign Minister Xu Dunxin is to visit Vietnam late this month to discuss the border dispute between the two Asian neighbors, an informed Vietnamese source said Friday.

A team of experts is to follow in October for technical talks, the source said. He added that no date had been set for a visit by Chinese Premier Li Peng, whom Vietnam has invited to come before the end of the year.

Disagreement over demarcation of their rugged 1,000-kilometer (620-mile) land border remains a source of tension between Vietnam and China 10 months after they normalized relations.

It has prevented the opening of a newly repaired rail link and trucking road, hampering efforts by Vietnamese authorities to regulate and tax the massive flow of goods across the border.

Xu, who is in charge of Southeast Asian affairs, met Vietnamese Deputy Foreign Minister Vu Khoan in Beijing in April.

Hanoi would also like to discuss with Xu differences over maritime territory but Beijing has so far not agreed to do so, the Vietnamese source said.

Tension between the two countries has risen steadily since February, when China passed a law asserting its sovereignty over the Spratly and Paracel islands.

In May, China leased to a U.S. company an oil exploration concession near the Spratlys that Vietnam sees as intruding into its coastal waters.

Vietnam responded with its own form of economic guerrilla warfare, opening a fishing port on one of the Spratly islets in July. The informed source said Vietnam was now seeking a foreign partner to explore for oil in the Spratlys.

The third major difference between Vietnam and China—the status of more than 200,000 Vietnamese of Chinese origin who took refuge in China in the late 1970s as the two countries moved toward war—would not be discussed at this point, the source said.

Australia

Opposition Leader Accuses Japan of Unfair Trade

BK0309091692 Hong Kong AFP in English 0807 GMT
3 Sep 92

[Text] Canberra, Sept 3 (AFP)—Australia's opposition leader John Hewson continued Thursday his increasingly strident attack on Japan, accusing it of failing to give fair and reciprocal access to its markets. His attack followed his earlier criticism of Japan, which led to page-one headlines here and a rebuke by Prime Minister Paul Keating who said: "We run a large balance of trade surplus with them, so they are not that bad."

But Hewson refused Thursday to dilute his criticism, saying: "The trade surplus we've got ain't good enough."

Speaking to journalists in Townsville, Hewson, whose conservative Liberal-National Party coalition is currently favoured in the polls to win an election due by May, said Australia had been frozen out of Japan.

"The rest of the world looks at us and says: 'These guys have got everything going for them, and they're just basically screwing it up', and they're right," he said.

According to Australian Bureau of Statistic figures for last financial year, Japan bought 14.6 billion (10.5 billion U.S.) dollars worth of Australian goods while selling 9.3 billion (6.7 billion U.S.) worth.

Hewson said it was a question of total access. "The Japanese direct investment into Australia is about 54 times our investment into Japan and that has a very very important trade link to it.

"It's not just trade," he said. "It's investment. It's direct investment, portfolio investment. It's access to our financial markets. It's capacity to own land. It's capacity to invest in our industry. It's a total picture. We've never really taken that argument to a country like Japan and sought a better reciprocity."

"We've been ridiculed, in fact, in a lot of the Asian areas because of our poor economic performance," he said.

Many Asian countries that saw themselves as super-achievers looked down on Australia, Hewson said. Australia should, after Japan, be the region's economic powerhouse, but was not "and in fact we're falling off the pace at a very rapid rate of knots," he said.

Hewson also stepped up his attack on the United States following the announcement Wednesday of increased export subsidies for wheat. He said Australia's trade was being squeezed out of the United States, and Australia should take a tougher line.

It was time Canberra did more than protest to the United States adding that when President George Bush came to Australia last January he promised to look at any collateral damage flowing from U.S. wheat subsidies.

The government should work out what the subsidies will cost Australia and seek offsets through better market access for other products, perhaps sugar or beef.

Fiji

Former PM Sworn In as Acting President

BK0409074292 Melbourne Radio Australia
in English 0500 GMT 4 Sep 92

[Text] Former Fiji prime minister Ratu Sir Kamisese Mara has been sworn in as Fiji's acting president today following the departure of President Ratu Sir Penaia Ganilau for urgent medical treatment in the United States.

Mr. Penaia is reported to be suffering from a viral infection which is complicating a blood disease he has had for some years. He has been flown to Washington in a United States military aircraft for treatment at the Walter Reed Memorial Hospital.

Fiji Prime Minister Sitiveni Rabuka cut short an official visit to Australia and flew home yesterday because of the president's illness.

New Zealand

Trade Minister, ROK Counterpart Hold Talks

SK0409125992 Seoul YONHAP in English 0852 GMT
4 Sep 92

[Text] Auckland, New Zealand, Sept. 4 (YONHAP)—South Korean Trade and Industry Minister Han Pong-su met with Philip Burdon, New Zealand's minister of trade negotiation, for the 16th Korea-New Zealand trade ministerial conference Friday.

During their talks, resumed after a six-year break, Han asked Burdon to lower the tariffs on Korea's major exports, textiles, apparel, footwear and automobiles, to create a better balance in trade between the two countries.

In response, Burdon, concurrently trade-industry minister, promised to cut tariffs by up to one-third by 1996. He also assured the Korean minister that he would make effort to restrain domestic businesses from filing anti-dumping suits against Korean goods.

Han pointed out that New Zealand had slapped anti-dumping suits on five Korean imports, including batteries and footwear, in the last 12 months.

He reiterated Seoul's basic stance that the complete opening of Korea's agricultural and livestock market to 15 New Zealand products was out of the question, and asked for Wellington's support in the Uruguay Round negotiations.

The two countries agreed to have the 17th trade ministerial talks in Seoul.

